



Sacramento Regional Transit District  
**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2023

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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023



Prepared by the Finance Division

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## Introductory Section

**Administrative Offices**

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Equal Opportunity Employer

**Human Resources**

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December 11, 2023

**To the Board of Directors and Citizens Served by the Sacramento Regional Transit District:**

The Sacramento Regional Transit District (SacRT) is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance as it pertains to audits of state and local governments. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller of the United States within six months of the close of each fiscal year. Pursuant to that requirement, SacRT hereby issues the Annual Comprehensive Financial Report (ACFR) of SacRT for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of SacRT. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of SacRT annually commissions an independent audit of its account records, consistent with the Sacramento Regional Transit District Board of Directors' (Board) fiduciary duty to preserve and protect SacRT assets and to compile sufficient reliable information for the preparation of SacRT's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, SacRT's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

SacRT's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that SacRT's financial statements for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there are no material weaknesses to report and that there was a reasonable basis for rendering an unmodified opinion that SacRT's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of SacRT was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in SacRT's separately issued Uniform Guidance Single Audit, Subpart F reports.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. SacRT’s MD&A can be found immediately following the independent auditor’s report of Crowe LLP.

## **Profile of SacRT**

In 1971, California legislation allocated sales tax money for local and statewide transit service and created the organizational framework for SacRT pursuant to the Sacramento Regional Transit District Act. SacRT began operation on April 1, 1973, with the acquisition of the Sacramento Transit Authority, and on April 1, 2023, SacRT celebrated its 50<sup>th</sup> anniversary. SacRT is the largest transit provider carrying over 90% of riders in the 6-county mega-region that serves the heart of California’s capital, serving a metropolitan population of over 1.6 million with a service area of approximately 440 square miles.

An 11-member Board of Directors is responsible for governing SacRT. The Board is comprised of four members of the Sacramento City Council, three members of the Sacramento County Board of Supervisors, one member of the Rancho Cordova City Council, one member of the Citrus Heights City Council, one member of the Folsom City Council, and one member of the Elk Grove City Council. The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring SacRT’s General Manager/Chief Executive Officer (GM/CEO). SacRT’s GM/CEO is responsible for carrying out the policies and ordinances of the Board for overseeing the day-to-day operations of SacRT, and for appointing the executive management of the various divisions.

SacRT provides bus and light rail service 365 days a year covering a 440 square-mile service area. Annual ridership was approximately 22 million pre-pandemic and was on a steadfast ridership growth trajectory of 15% on fixed-route bus, 7% on light rail and 127% growth in student ridership – almost unheard of during a time of downward ridership trends nationwide. As was the case for all public transit agencies, SacRT experienced significant ridership reductions during the first three months of the pandemic in 2020. However, ridership has continued to grow each year since with fiscal year 2023 realizing a 30% increase in ridership over Fiscal Year 2022, bringing current levels to approximately near 70% of pre-pandemic numbers. There remains a nationwide public transit workforce shortage, however, SacRT has been very effective in recruiting new talent. Currently, SacRT’s vacancy rate is only about 2%, while nationwide the industry average is 15%.

SacRT’s entire bus and light rail system is accessible in accordance with the American Disabilities Act (ADA). Additionally, SacRT provides origin-to-destination transportation service (in accordance with the Americans with Disabilities Act of 1990) for people that are unable to use fixed-route service.

SacRT’s annual budget serves as the foundation for financial planning and control. The budget is a financial plan for one fiscal year of operating revenue and expenses, and capital investments. The plan matches revenues with the service expenses and project cost expenses based on policies set by SacRT’s Board. The budget process follows three basic steps that help provide continuity in decision making: 1) assess current conditions and needs, and develop goals, objectives, policies and plans; 2) prioritize projects and develop a work program, and 3) implement those plans and policies, and prepare to evaluate their effectiveness and shortcomings.

SacRT’s General Manager/CEO presents a proposed budget to the Board for a 60-day public review period beginning in April. Following the review period, SacRT is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the fiscal year. The budget is prepared by fund (operating or capital), division and department (e.g., safety) or by capital project. The legal level of control is at the fund level, where budget amendments are authorized by the Board. The responsible division executive manager and the GM/CEO authorize interdivisional transfers. The respective division directors and department managers authorize intra-divisional transfers, and the responsible manager authorizes departmental transfers.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which SacRT operates bus, light rail, microtransit and paratransit services.

In February 2023, Moody's Investors Service published a research report on the financial status of California's transit agencies and found that SacRT has an A2 financial rating, one of the most favorable outlooks of any transit agency. The report noted that SacRT "will add to already sound operating liquidity by the end of Fiscal Year 2023. Providing additional cushion to weather operating headwinds from potential sales tax volatility as the economy cools, rising expenditures especially from labor costs, and the end of federal pandemic aid, which officials plan to spend down by fiscal 2025.

## **Local Economy**

SacRT operates services in the capitol city of California, the fifth largest economy in the world – soon to be the fourth largest. The mega-region, which includes six counties (El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba), has varied state governmental services and a light industrial base. The annual unemployment rate for the Sacramento area in 2023 was 4.5%, a slight increase from the 2022 rate of 3.9%. The Sacramento region continues to trend below the statewide annual unemployment averages, which demonstrates the need for robust transit in the Sacramento region.

A significant portion of SacRT's operating funds is derived from sales tax revenues. In Fiscal Year 2023, taxable sales in the Sacramento region rose resulting in an increase of 1.8% in Measure A Revenue. It is estimated that the taxable sales in the region will increase in Fiscal Year 2024. SacRT adopted the Fiscal Year 2024 Operating Budget with an increase of approximately 1.5% in Measure A sales tax-based revenues compared to Fiscal Year 2023 actuals and a 9.7% increase in Local Transportation Funds due to the estimated taxable sales.

## **Secured Additional Funding**

In August 2022, SacRT was awarded \$30 million in state funding from California State Transportation Agency through the Transit and Intercity Rail Capital Program (TIRCP). Of that, \$24 million will go directly to help purchase an additional 8 new low-floor light rail vehicles. SacRT has secured funding to support the purchase of 44 new vehicles, with the goal to purchase up to 76. An additional \$5 million grant will support connectivity and planning at Sacramento Valley Station (SVS) to prepare for future development at the Railyards, and \$1.5 million for contactless fare payment devices onboard buses and light rail vehicles. In May 2023, SacRT was successfully awarded the first ever Federal Transit Administration (FTA) Railcar Vehicle Replacement Program grant, securing \$45.1 million to support the purchase of 16 additional new low-floor light rail vehicles from Siemens in south Sacramento. The program was created by the President's Bipartisan Infrastructure law, and only six awards were made nationwide.

SacRT's federal delegation, Senator Alex Padilla and Congressmembers Doris Matsui and Ami Bera championed the application and all three of them have submitted community project funding requests to support SacRT's transition to a low-floor light rail fleet. In December 2022, Congressman Bera successfully secured \$3.7 million to support station conversions on the Gold Line as part of the federal omnibus package. SacRT looks forward to working with them as these requests make their way through the appropriations process. Funding the project is a big undertaking, and as the federal government begins its Fiscal Year 2024 appropriations process, SacRT is thankful for the strong support of our federal delegation.

To date, SacRT has secured more than \$400 million for its Light Rail Modernization Project, which includes the purchase of new low-floor light rail vehicles, modifications to station platforms and adding a passing track to provide 15-minute service to Folsom area stations. SacRT previously purchased 28 new low-floor light rail vehicles from Siemens Mobility and has a contract to order up to 76. As delivery of the vehicles roll in each month, the vehicles are currently undergoing a phased testing process before they can be put into service, which is expected to take place in summer 2024. With the order of an additional 16 new low-floor vehicles, SacRT will have 44 new low-floor vehicles on order or already delivered, which is close to two-thirds of all the vehicles needed to operate on Sacramento's light rail system.

SacRT also received a federal grant for approximately \$38 million in funding from the Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) as well as \$1.5 million in CRRSAA funds available from the City of Elk Grove annexation. CRRSAA is a federal formula grant program in which SacRT used approximately \$19 million for operations in fiscal year 2022 and the balance of \$21 million in fiscal year 2023. Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32 million in fiscal year 2023, approximately \$35 million in fiscal year 2024 and the balance for fiscal year 2025.

In November 2022, a Citizens' Initiative placed a countywide transportation initiative, Measure A, on the ballot. Unfortunately, the Measure was defeated. Although the news is disappointing, SacRT sees this opportunity to move forward with a more ambitious transit funding plan in the next couple of years to improve and implement innovative mobility solutions that will benefit the Sacramento region, while pushing for additional funding at the federal, state, and local levels to help address our region's climate, equity, and social justice goals.

## **SacRT's FY 2021-2025 Strategic Plan**

The disruptive impact of the COVID-19 pandemic precisely demonstrated the need for a Strategic Plan – especially for organizations that are publicly funded like SacRT. The pandemic was a major hurdle; however, it was also an opportunity for the transit industry to show the vital role public transit plays in keeping the Sacramento region moving. Adopted in October 2021, SacRT's Strategic Plan for Fiscal Years 2021-2025, drives SacRT's strategic priorities: Operational Excellence, Customer Satisfaction, Employee Community Value, and Employee Engagement.

Goals and tactics have been thoughtfully developed and measured on a quarterly basis to align directly with one of the four strategic priorities that have successfully guided our work over the last fiscal year. The new strategic plan introduced SacRT's performance scorecard, with quarterly metrics, tactics, and milestones for achieving SacRT's goals and will continue to serve as the guiding vision for post-pandemic strategic success. SacRT strives to balance the delivery of high-quality customer experience with value to taxpayers, and the Strategic Plan offers a platform from which the agency takes aim at these two high level aspirations. Here is the breakdown of the four guiding principles:

- **Customer Satisfaction:** ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. SacRT wants to ensure that the system provides customers with mobility options that get them where they want to go, when they want to go there.
- **Operational Excellence:** SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation service continues to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable and convenient service for our customers.



- **Community Value:** SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world-class public transit system.
- **Employee Engagement:** SacRT is dedicated to providing a positive and collaborative workplace that enables us to build a strong workforce of highly satisfied and performing individuals. SacRT recognizes that the work employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. SacRT employees are foundational to the success and SacRT is committed to hiring the best people and supporting them throughout their careers at SacRT.

### **District-Wide Improvement Initiatives**

While the Covid-19 pandemic impacted some of SacRT's original Fiscal Year 2021 and 2022 goals, it provided SacRT with an opportunity to live its mission, vision, and values. Staff continues to pride itself on not only maintaining service levels but continuing to deliver a variety of innovative solutions throughout the year. SacRT's transformation was recognized through national awards, including the national American Public Transportation Association's 2021 Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation. Other recognitions in Fiscal Year 2023 included:

- 2022 Federal Transportation Security Administration's Gold Standard Award for System Security. This prestigious award is the highest recognition TSA can give to a transit agency for achieving top scores during an annual review of 17 categories of security and emergency preparedness elements. Out of the 6,800 public transit agencies the TSA oversees, SacRT is one of only four nationwide to receive this recognition this year.
- 2022 APTA First Place AdWheel Award for Best Partnership to Support Ridership
- 2022 APTA First Place AdWheel Award for Best Special Event to Support Ridership
- 2023 APTA First Place AdWheel Award for Best Marketing and Communications to Highlight Transit Needs/Funding
- 2023 California Association of Public Information Officials Epic Award for the Rolling Library Train
- 2023 APTA Rail Safety Certificate of Merit Award

### **Social Equity Programming**

Recognizing that Sacramento is one of the most diverse cities in the nation, SacRT has taken a very thoughtful approach in ensuring that our disadvantaged community members have equitable access to jobs, education, resources, and economic opportunity to keep the region moving forward. SacRT's service area is 53% minority and 28% low-income, and 67% of all SacRT riders do not own a personal vehicle. Also of note, communities of color make up 60% of transit riders, and 15% of all passengers speak a primary language other than English. In response, SacRT created a Social Equity Program, which is focused on overcoming the extraordinary challenges of Sacramento's most vulnerable populations, including low income, unhoused individuals, youth, and elderly.

SacRT continues to be a great Social Equity Partner in the Sacramento region. In Fiscal Year 2023, SacRT teamed up with Sacramento County to provide free rides system-wide to vote centers and ballot drop box locations across the Sacramento region to help Drive the Vote in November 2022. During the unprecedented winter storms and high heat days in the summer, SacRT provided free rides for vulnerable populations needing

to get to regional respite centers. SacRT also supported the region by providing transportation assistance for major community events such as the Aftershock Festival, GoldenSky Festival, California International Marathon, Ironman, and Folsom Pro Rodeo to name a few. Other SacRT service and fare equity programming includes:

#### RydeFreeRT Fare-Free Transit for Youth:

In 2019 SacRT was also the first transit agency in the nation to implement an unrestricted system-wide fare-free transit program, called RydeFreeRT, for over 265,000 eligible students from transitional kindergarten through 12th, including foster and homeless youth. Now in the fifth year of the program, that number has significantly grown by adding additional school districts in the Sacramento area. In September 2023, SacRT estimated nearly 350,000 student boardings. This put us on pace for over 3.5 million student rides this fiscal year.

Prior to the pandemic, SacRT was carrying approximately 1.7 million students, meaning that total student ridership has doubled since the onset of the free ride program. Through the fare-free program, SacRT is not only increasing ridership today, but also creating life-long transit riders and advocates. SacRT's school district partners often speak to the direct impact of the program in combatting school absenteeism.

#### SacRT GO Paratransit Services:

In July 2022, SacRT celebrated our 2nd Anniversary of SacRT GO, after bringing ADA paratransit service back in-house following years of contracting the service out. And in April 2023, SacRT celebrated the one-year anniversary of contracting with UZURV, a transportation network company (TNC) that provides supplemental paratransit service to help improve service efficiency. On-time performance has improved with the implementation of the contract with UZURV. March 2023 had the highest ridership for SacRT GO and supplemental service since bringing it back in-house with over a total of 25,994 passengers. Not only is this the highest ridership SacRT experienced since Covid, it's back to 82% of pre-pandemic levels. UZURV provided service to 6,226 passengers, their largest ridership number since they've started providing supplemental service and 24% of overall trips.

#### SmaRT Ride Services:

SacRT continues to make service improvements that better serve the communities we serve. In August 2022, SacRT expanded two SmaRT Ride zones to provide additional service to the residents and workforce in Elk Grove and the McClellan Park area in North Sacramento. SacRT's SmaRT Ride service is provided through Measure A funding. SmaRT Ride microtransit initially experienced a 15% decline in ridership at the start of the pandemic; however, SacRT has since experienced the highest ridership ever on the service nearly 50% higher than at any point prior to the pandemic and more than double what ridership was at the beginning of the pandemic. !

#### Rolling Library Train:

In August 2022, SacRT partnered with the Sacramento Public Library Authority to launch the nation's first Rolling Library Train. The Sacramento Public Library is the fourth largest library system in California with 28 locations serving 1.4 million urban, suburban and rural residents. In addition to lending books, the Sacramento Public Library offers services and programming focused on early learning, technology, and education and is committed to providing Sacramento communities with welcoming community spaces. The brightly decorated train travels throughout Sacramento promoting riding and reading using QR codes. Riders simply take out their phone, scan the QR code and that brings up the Sacramento Library app where they can download ebooks or audiobooks for free. Within the first two weeks of launching the train, the Sacramento Library experienced a significant increase in online access using the QR codes.

## **Power Inn Light Rail Station Charging Hub**

In June 2023, SacRT partnered with GiddyUp EV Charging, Inc. and the Sacramento Municipal Utility District (SMUD) to open a public high-speed electric vehicle Charger Hub at the Power Inn light rail station. The charging hub could be one of the largest charging hubs in the state when fully equipped.

The goal is to serve SacRT ridership, the local community, and local commercial fleet operators with easy and fast EV charging. This project features a large-scale network of Level 3 charging stations using a proprietary design providing the ability to charge both passenger and commercial vehicles simultaneously and dramatically faster than the Level 2 chargers found in the majority of public charging stations. The new Charging Hub occupies 20 underutilized parking spots at the Power Inn light rail Station. The first phase includes 10 high-speed DC charging stations with several stations designed to accommodate large fleet vehicles (bus or semi-tractor).

This public-private partnership delivers a state-of-the-art charging solution for Sacramento's emerging electric vehicle market, meets the region's and state's sustainability goals, and provides a revenue sharing model for SacRT. This innovative project serves as an opportunity for SacRT to begin development of Mobility Hubs (places that bring together multiple transportation modes for seamless transportation options) at light rail stations to add amenities and e-mobility options for transit users and transit-oriented development.

## **Improving the Customer Experience by Levering Technology**

In February 2023, in coordination with Cal-ITP and SACOG, SacRT launched a "tap to pay" program enabling Transit Ambassadors (TAs) to collect fare in lieu of issuing a citation on board light rail vehicles through a cellular app. The TA's and management have been happy with the program whose main goal is to reduce contentious interactions with customers, reduce citations, and improve customer satisfaction. In spring 2023, SacRT began working with SACOG on joint procurement of new fare collection hardware through a Cal-ITP program. The region was awarded \$2.1 million to buy tap-to-ride hardware for buses for the entire region. These devices will be installed on the SacRT bus fleets.

## **Transit Oriented Development**

SacRT continues to develop our relationships with Transit Oriented Development (TOD) partners and examine various surplus properties to determine if they qualify for projects that would encourage transit use and potentially increase our ridership. SacRT continued to progress TOD investments, property dispositions, revenue licenses and easements.

In October 2022, SacRT and the Martin Group celebrated the grand opening of the Wexler, a new student housing TOD project located adjacent to the University/65th Street Transit Center, one of SacRT's busiest transit centers and light rail stations, which is utilized by more than 40,000 light rail riders and 30,000 bus riders per month, and just steps away from nearby retail centers. This TOD project now provides housing for more than 750 students in a village-like locale less than a block south of Sacramento State. SacRT sold the property to Wexler in November 2019, marking SacRT's first TOD property sale and the first student housing TOD in the Sacramento region. The project also reconstructed the SacRT bus stops on 67th and Q Street to improve the connection to the light rail Station. SacRT received \$2 million from the sale proceeds, to reinvest into the system.

In July 2023 the Salvator Apartments, a sustainable infill development featuring 120 affordable apartment homes opened adjacent to the Royal Oaks Transit Station. The project will serve as a catalyst for neighborhood revitalization and smart growth, and provide affordable housing options for the local workforce, families, seniors, and veterans. The property was sold by SacRT to Community Housing Works in 2019.

## Major Initiatives Moving Forward

By identifying future opportunities and prioritizing projects, SacRT has successfully led district planning initiatives that will help increase access to public transit in the region to make sure rider experience is best in class. These initiatives include our Light Rail Modernization Project, a future Bus Rapid Transit plan, Bus Stop Improvement plan and the Downtown Riverfront Streetcar project.

### Light Rail Modernization Project:

SacRT's Light Rail Modernization Project includes new vehicles, station modifications and additional track to improve headways and reliability. The Light Rail Modernization Project underscores SacRT's commitment to sustainable, state-of-the-art public transportation solutions.

SacRT is currently in the testing process of 17 new low-floor trains, which were built at Siemens Mobility in south Sacramento. SacRT has an order of 36 trains with the option to purchase up to 76. SacRT has also been actively modifying station platforms along the Gold Line to meet the height requirements of the new low-floor trains. The trains are expected to be in service on the Gold Line by summer 2024.

As SacRT continues to leverage federal and state funding sources, SacRT plans to transition to an entirely new low-floor light rail fleet. The new low-floor vehicles will have low level boarding at every doorway. They will feature improved accessibility with wider aisles and areas providing more access to passengers with disabilities and others boarding with strollers, bicycles, and other mobility devices.

The multi-pronged improvement program includes three major highlights:

- Purchasing a new fleet of low-floor trains that allow passengers to directly enter trains at nearly floor level. Passengers using mobility devices may board the train using a passenger deployed bridge plate and ramp assembly.
- Reconfiguring light rail station platforms, in sequence over time, to accommodate the new low-floor trains.
- Adding a passing track to operate 15-minute service between Sunrise and Historic Folsom stations, rather than the existing 30-minute service. The double tracking project is expected to be completed by summer 2024.

### Bus Rapid Transit Plan:

SacRT is assessing opportunities for High Capacity Bus Service along congested corridors in the Sacramento region, including Stockton Boulevard, Florin Road, Sunrise Boulevard, Arden Way and Watt Avenue. High Capacity Bus Service or Bus Rapid Transit (BRT) is a faster and more reliable service that is useful to more people for travel to work, school and to meet their daily needs and increase ridership. Some of the strategies include bus-only lanes, signal priority, and station amenities. The BRT project continues the work of SacRT Forward, SacRT's bus route optimization project that redesigned the entire bus network in fall 2019.

SacRT has designated Route 51 – Stockton/Broadway at the forefront of the BRT efforts. With 2,000 daily boardings, Route 51 is SacRT's highest ridership bus route. With a strong partnership between the City and County of Sacramento, along with a recent \$5 million award from SACOG, SacRT is making incredible strides.

### Bus Stop Improvement Plan:

In 2022, SacRT partnered with Civic Thread, a local non-profit planning and advocacy organization, to complete a Bus Stop Improvement Plan for SacRT's service area. The plan, finalized in March 2023, created a

comprehensive list of necessary and desired improvements to bus stops, amenities, and supporting pedestrian infrastructure. This will help SacRT focus the plan on areas with the greatest needs and pursue funding opportunities. The plan includes a comprehensive list of necessary and desired improvements to bus stops throughout SacRT's service area and identifies over \$65 million worth of improvements to 630 bus stops out of over 3,200 systemwide. With the plan, SacRT is now well positioned to apply and secure grant funding to implement these improvements.

#### Downtown Riverfront Streetcar Project Update:

SacRT is also in advanced planning for a streetcar line over the Tower Bridge into West Sacramento that will better connect the two cities. SacRT has most, but not all, the funding needed for the project. October 2022, SacRT officially took ownership of the streetcar project following the dissolution of the Joint Powers Authority.

### **Zero Emission Vehicle Plan Update**

In accordance with the California Air Resource Board's Innovative Clean Transit regulation (CARB ICT), SacRT adopted a Rollout Plan to transition its bus fleet to 100 percent zero-emission vehicles (ZEV) by 2040. The CARB's ICT regulation requires all public transit agencies in the State of California to transition from conventional buses (compressed natural gas, diesel, etc.) to zero-emission buses (battery-electric or fuel cell electric) by 2040. The regulation requires a progressive increase of an agency's new bus purchases to be zero-emission buses (ZEBs) based on their fleet size.

In Fiscal Year 2023, SacRT joined a four-agency collaborative partnership between SacRT, Sacramento Area Council of Governments, Sacramento Air Quality Management District, and the Sacramento Municipal Utility District, by creating together the "Sacramento Region Zero Carbon Transportation" initiatives. The 28-page Zero Emission Vehicle (ZEV) Deployment Strategy is a coordinated regional approach to improve air quality, reduce greenhouse gas emissions, abate exposure to toxins, adapt to a warming planet, and promote efficient mobility. The plan includes detailed focus on transitioning SacRT's fleet of ZEV buses in the coming years.

### **Balanced Funding Concepts**

While SacRT has extensive plans for future expansion and improvement of light rail and bus services, it faces significant capital replacement and infrastructure maintenance needs for its existing bus and light rail systems. As a result, it is increasingly important to ensure the availability of financial resources to maintain existing levels of service and to fund capital and operating expenditures related to proposed expansion and service improvements. The 25-year vision balances high-priority needs with potential funding. There are three major sources of funding:

- Locally controlled federal and state funding sources (funding given to local governments and agencies to spend on their priority projects)
- Federal discretionary funding sources (designated by the federal government for a specific project)
- Locally raised money (from county sales tax and development fees)

Most of the federal and state revenues that SacRT receives are generated by the Section 5307/5309/5337 federal transit funds, the state transportation account, and COVID relief funds.

SacRT has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. The required continuing disclosure items and their locations within the ACFR are presented on page 98.

SacRT maintains three Retirement Plans for the benefit of its employees. The three Plans are ATU, IBEW, and Salaried. The Salaried Plan is made up of members from AFSCME, AEA/OE3, and MCEG. Each year, an independent actuary engaged by the respective Retirement Boards calculates the amount of the annual contribution that SacRT must make to the Trusts to ensure that each retirement plan will be able to fully meet its obligations to retired employees on a timely basis.

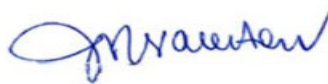
## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SacRT for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. This was the 23rd consecutive year that SacRT has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe that our current Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments and the tireless efforts of the Finance department staff. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, with special thanks to Paul Selenis, Director of Accounting and Treasury; Lynda Volk, Senior Accountant; Nadia Mokhov, Senior Financial Analyst; Elizabeth Her, Accountant I; and Maria Whitworth, Program Analyst.



Henry Li  
General Manager/CEO



Shelly Valenton  
Deputy General Manager/CEO



Jason Johnson  
Vice President, Finance/CFO

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
CERTIFICATE OF ACHIEVEMENT  
FISCAL YEAR ENDED JUNE 30, 2022**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Sacramento Regional Transit District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
FISCAL YEAR ENDED JUNE 30, 2023**

**Board of Directors**

**Patrick Kennedy**, County of Sacramento, **Chair**  
**Rick Jennings, II**, City of Sacramento, **Vice Chair**  
**Linda Budge**, City of Rancho Cordova  
**Bret Daniels**, City of Citrus Heights  
**Pat Hume**, County of Sacramento  
**Mike Kozlowski**, City of Folsom  
**Sean Loloee**, City of Sacramento  
**Caity Maple**, City of Sacramento  
**Bobbie Singh-Allen**, City of Elk Grove  
**Phil Serna**, County of Sacramento  
**Katie Valenzuela**, City of Sacramento

**Board of Directors Alternates**

**YK Chalamcherla**, City of Folsom  
**David Sander**, City of Rancho Cordova  
**Tim Schaefer**, City of Citrus Heights  
**Darren Suen**, City of Elk Grove

**General Manager/CEO**

Henry Li

**Deputy General Manager/CEO**

Shelly Valenton

**General Counsel**

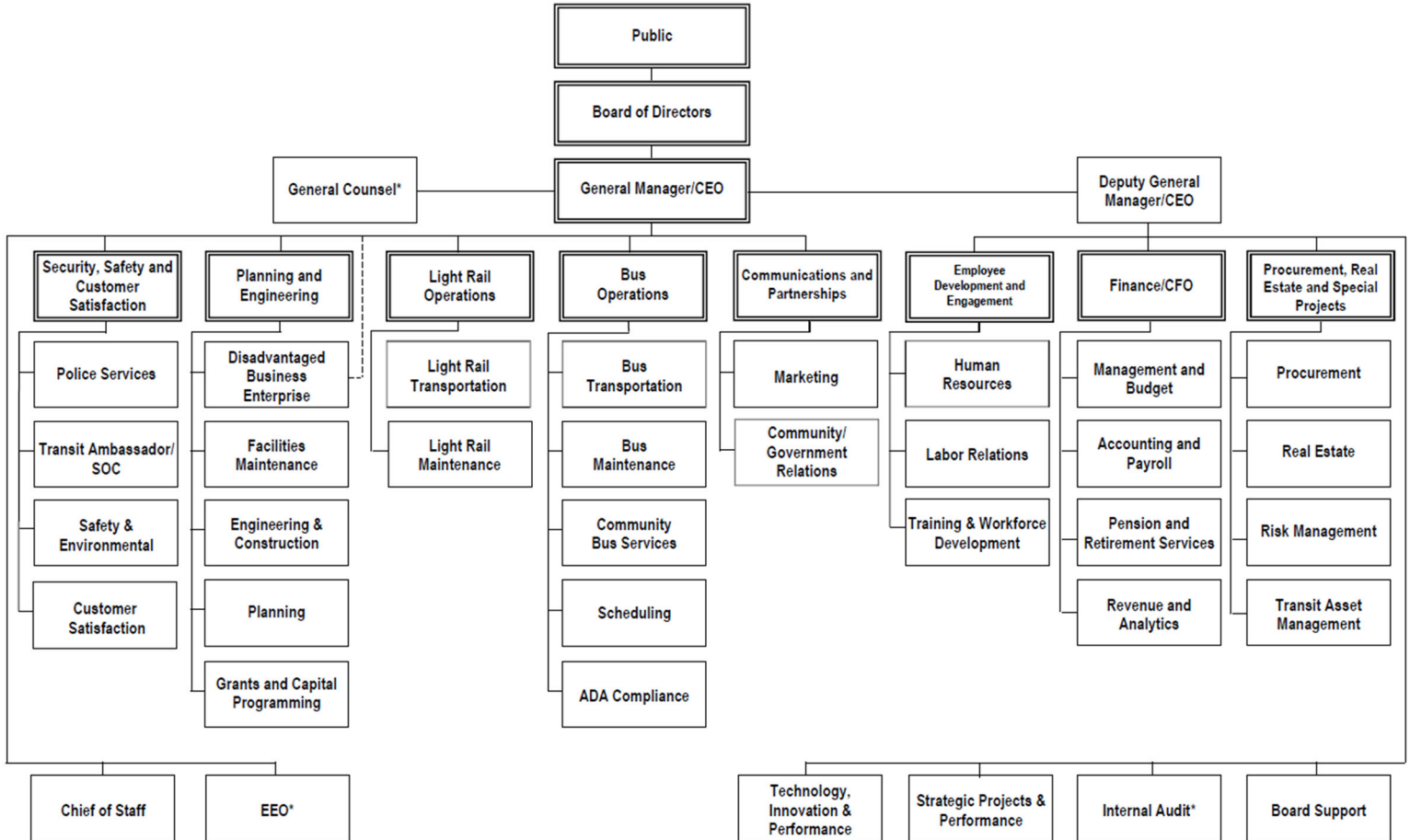
Olga Sanchez-Ochoa

**Executive Management Team**

**Carmen Alba**, Vice President, Bus Operations  
**Jamie Adelman**, Vice President, Procurement, Real Estate and Special Projects  
**Ron Forrest**, Vice President, Light Rail Operations  
**Laura Ham**, Vice President, Planning and Engineering  
**Lisa Hinz**, Vice President, Security, Safety and Customer Satisfaction  
**Jason Johnson**, Vice President, Finance/CFO  
**Devra Selenis**, Vice President, Communications and Partnerships  
**David Topaz**, Vice President, Employee Development and Engagement



# SACRAMENTO REGIONAL TRANSIT DISTRICT ORGANIZATIONAL CHART FISCAL YEAR ENDED JUNE 30, 2023

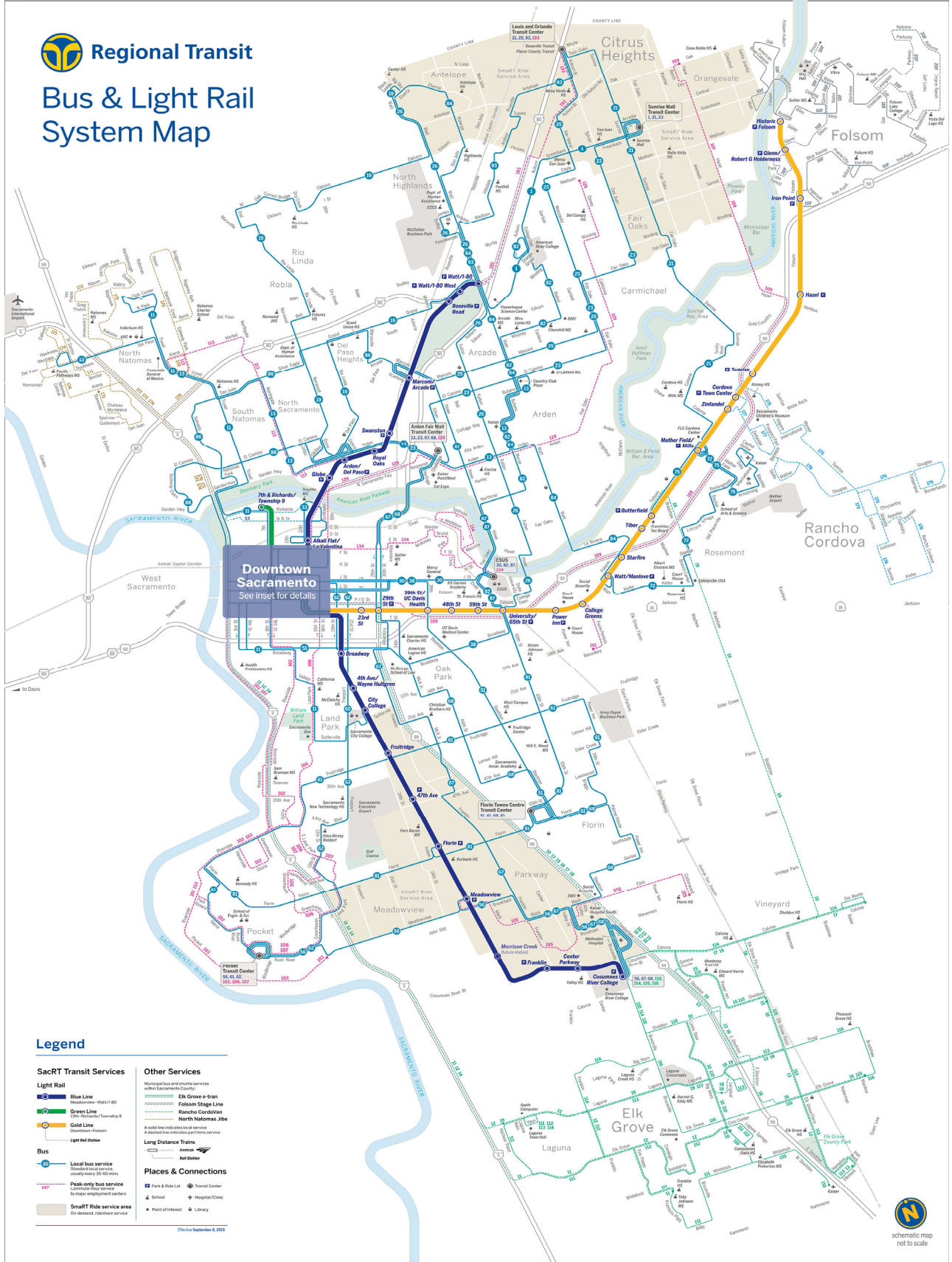


\*Dotted line to the Board of Directors

# SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



## Regional Transit Bus & Light Rail System Map



### Legend

#### SACT Transit Services

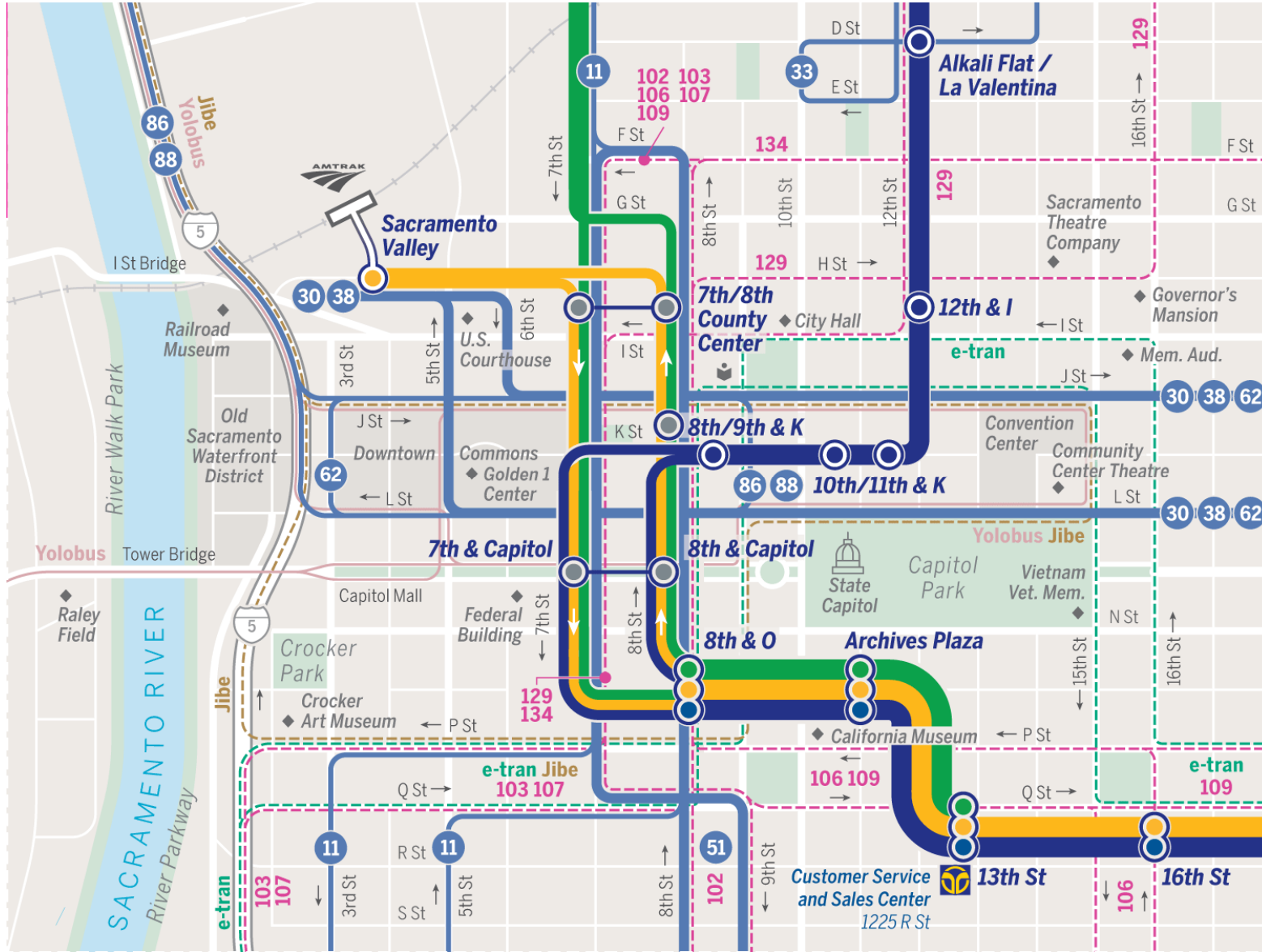
- Light Rail**
  - Blue Line (Walt/90)
  - Green Line (Town Center)
  - Gold Line (Folsom)
- Bus**
  - Local bus service (Standard bus services, qualityway 20/25/30)
  - Peak-only bus service (Commuter four service, major employment centers)
  - Smart Ride service area (On demand, ride share service)

#### Other Services

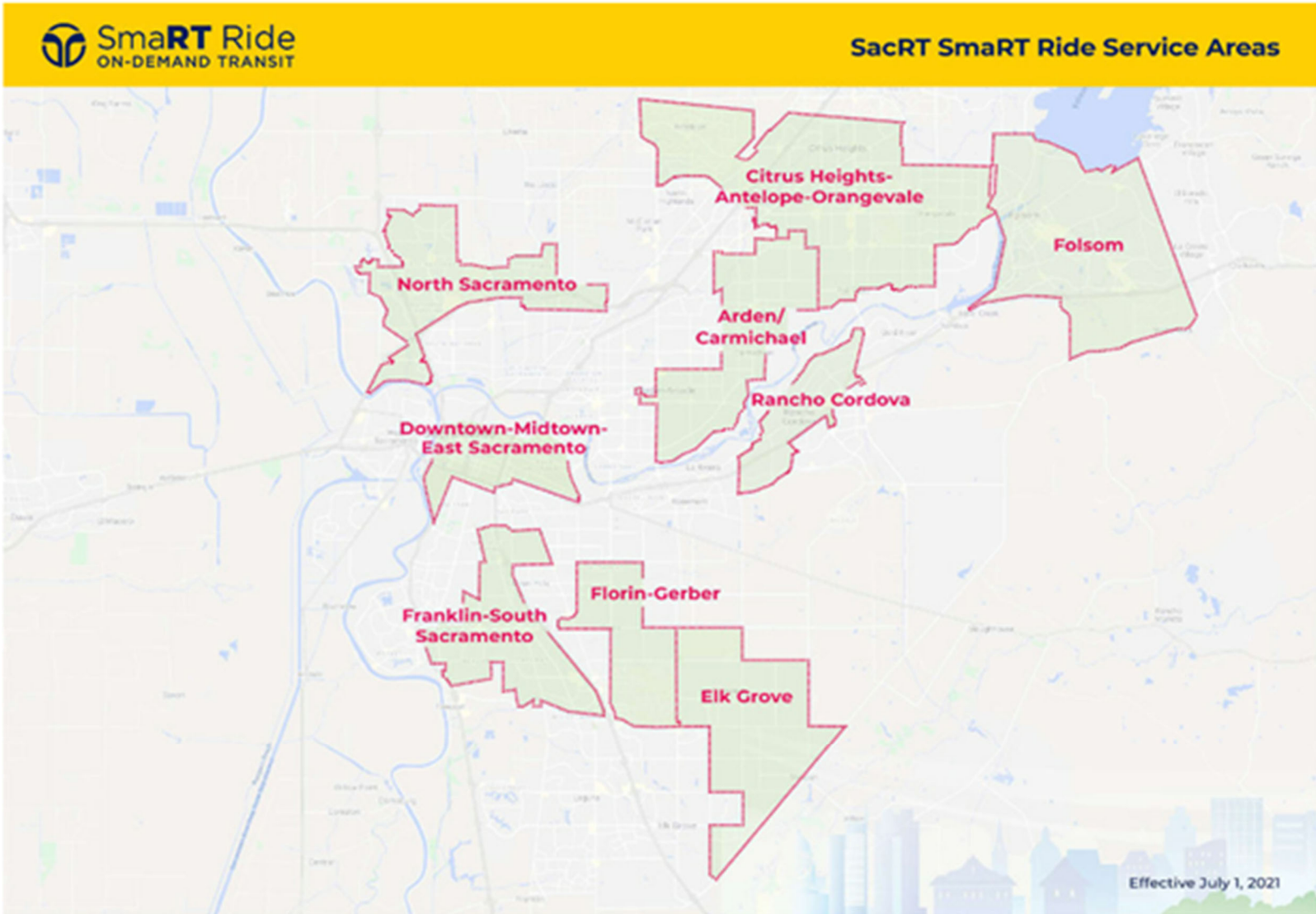
- Municipal bus and shuttle services within Sacramento County
- Elk Grove + train
- Folsom Drag Line
- Rancho Cordova
- North Natomas Jibe
- Long Distance Trains (Amtrak, Rail Station)
- Places & Connections (Transit Center, School, Hospital/Clinic, Point of Interest, Library)



## SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



# SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP





# Financial Section

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
Sacramento Regional Transit District  
Sacramento, California

Members of the Board of Directors  
Sacramento Area Council of Governments  
Sacramento, California

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities and fiduciary activities of Sacramento Regional Transit District (SacRT), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SacRT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the SacRT, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SacRT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 5 to the financial statements, during the year ended June 30, 2023, SacRT adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption resulted in recording subscription liabilities and right-of-use lease subscription assets. There was no impact to net position as of July 1, 2022 as a result of adoption. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SacRT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of District pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of District OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SacRT's basic financial statements. The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of SacRT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance.

  
Crowe LLP

Sacramento, California  
November 17, 2023





## Management Discussion & Analysis

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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As management of the Sacramento Regional Transit District (SacRT), we offer the readers of SacRT's financial statements this narrative overview and analysis of the financial activities for SacRT for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements which are included in this report.

**Financial Highlights**

- The assets and deferred outflows of resources of SacRT exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$837,031,031 (net position). Of this amount \$752,982,537 is net investment in capital assets, \$57,413,864 is restricted for debt service, \$5,780,515 is restricted for Folsom and Elk Grove from Annexations, \$8,691,843 is restricted for capital projects and \$12,162,272 is unrestricted.
- SacRT's total net position increased for the year ended June 30, 2023 by \$32,306,935 or 4.0 percent compared to the year ended June 30, 2022. This Increase is due primarily to capital activity which includes progress payments for the light rail modernization project and the acquisition of 22 40' Gillig buses. This increase was partially mitigated by the permanent impairment of SacRT's Urban Transportation Development Corporation light rail vehicle fleet. See Note 3 for additional information regarding this impairment.
- SacRT's total liabilities and deferred inflows of resources increased by \$39,252,917 or 11.3 percent for the fiscal year ended June 30, 2023. The net increase is primarily attributed to payments due for SacRT's new buses, unfavorable Pension and OPEB investment experience, adverse self-insurance claim activity, the commencement of leases at 1102 Q Street, Sacramento, for office space, and 27th and R Streets, Sacramento for warehouse space and a change in OPEB actuarial assumptions.
- During the fiscal year ended June 30, 2023, fare revenue increased by \$2,305,763 or 16.1 percent from the fiscal year ended June 30, 2022. This is attributed to an increase in fare purchases due to escalating ridership, transit passes issued to college students, as well as the expansion of SacRT's student fare free program, RydeFreeRT. Non-operating revenue increased by \$11,286,067 or 5.1 percent in fiscal year 2023 primarily due to an increase in sales tax generated revenue from the Transportation Development Act's Local Transportation Fund.
- Total operating costs increased by \$56,174,214 or 22.2 percent for the fiscal year ended June 30, 2023. This increase is due to labor and fringe benefit costs, increases in Casualty and Liability insurance costs premiums and claims and the recording of permanent capital asset impairments. The increase in labor and fringe benefits is due to a rise in pension costs resulting from an increase in SacRT's actuarially determined pension contribution and a rise in labor costs resulting from contractual pay rate escalation. The increase in Casualty and Liability insurance costs is due to an increase in personal liability and property damage and workers compensation claims. SacRT recorded a permanent asset impairment loss for 20 light rail vehicles and related spare parts.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

---

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to SacRT's basic financial statements, which are comprised of the financial statements and the notes to the financial statements.

**Basic Financial Statements** – The financial statements are designed to provide readers with a broad overview of SacRT's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of SacRT's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these items being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SacRT's financial position is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how SacRT's net position changed during the fiscal year ended June 30, 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (such as the receipt of goods and services or submittal of claims for capital and operating revenue), regardless of the timing of related cash flows. In other words, SacRT reports expenses and revenues on an accrual basis rather than a cash basis. Since SacRT's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. SacRT serves in a fiduciary capacity for the Pension Trust Funds and the Connect Card Custodial Fund. The fiduciary fund statements are presented on an accrual basis and are included in these financial statements. The resources of the fiduciary funds are not available to support SacRT programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the financial statements.

**Statistical Section** – In addition to the basic financial statements, this report also includes a statistical section of selected financial information over a 10-year period when available.

**Analysis of the Financial Statements**

The financial statements provide both short-term and long-term information about SacRT's overall financial condition. This analysis addresses the financial statements of SacRT as a whole.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of SacRT, assets and deferred outflows exceeded liabilities and deferred inflows by \$837,031,031.

The vast majority of SacRT's total net position reflects investment in capital assets, less any related debt, unused bond proceeds, and funds held to service SacRT's debt. These capital assets are used to provide bus and light rail services to the greater Sacramento area. Consequently, these assets are not available for future spending. Although SacRT's net investment in its capital assets is reported net of related debt, resources are needed to repay this debt and must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

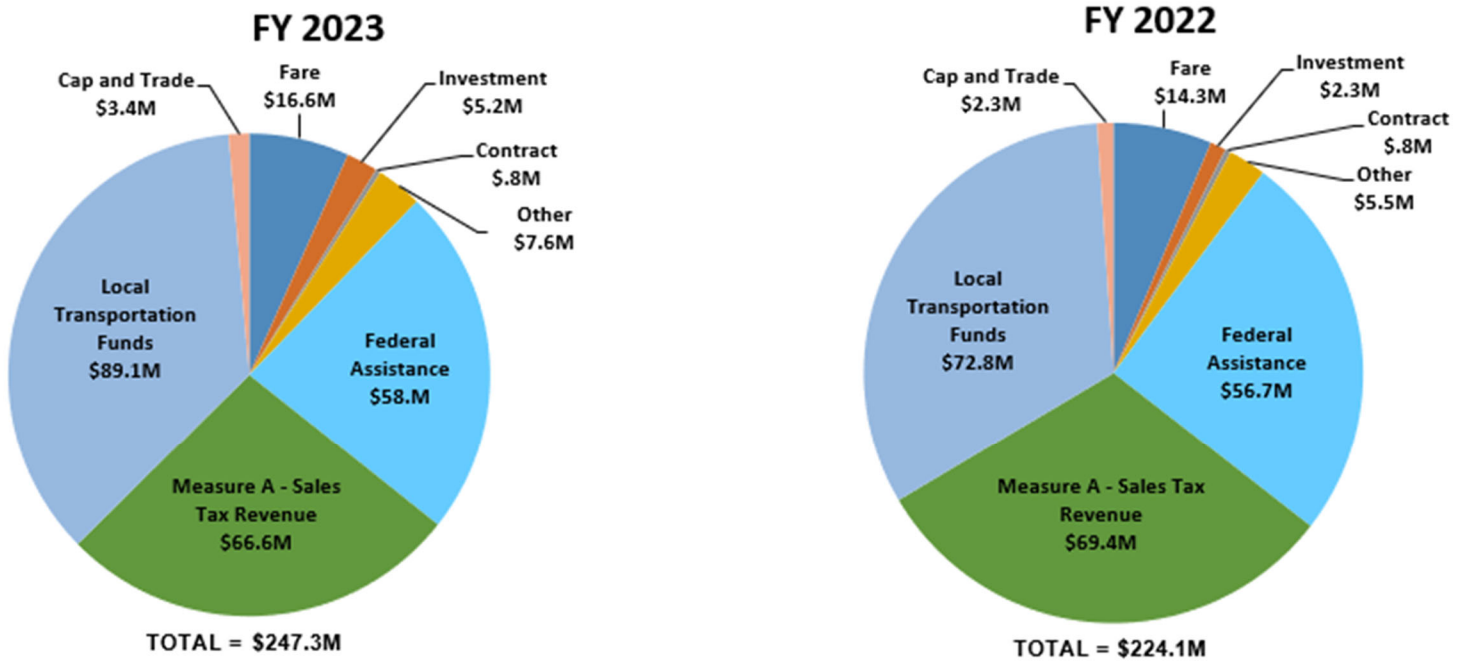
|                                  | June 30, 2023         | June 30, 2022         | Increase or (Decrease) |                 |
|----------------------------------|-----------------------|-----------------------|------------------------|-----------------|
|                                  |                       |                       | Dollar                 | Percent         |
| Current and Other Assets         | \$ 269,750,856        | \$ 225,902,727        | \$ 43,848,129          | 19.4%           |
| Capital Assets                   | 878,672,218           | 860,497,406           | 18,174,812             | 2.1%            |
| Total Assets                     | <u>1,148,423,074</u>  | <u>1,086,400,133</u>  | <u>62,022,941</u>      | <u>5.7%</u>     |
| Deferred Outflows of Resources   | 73,966,655            | 64,429,744            | 9,536,911              | 14.8%           |
| Current Liabilities              | 65,578,740            | 43,907,726            | 21,671,014             | 49.4%           |
| Non-Current Liabilities          | <u>303,351,528</u>    | <u>241,005,384</u>    | <u>62,346,144</u>      | <u>25.9%</u>    |
| Total Liabilities                | <u>368,930,268</u>    | <u>284,913,110</u>    | <u>84,017,158</u>      | <u>29.5%</u>    |
| Deferred Inflows of Resources    | 16,428,430            | 61,192,671            | (44,764,241)           | (73.2)%         |
| <b>Net Position</b>              |                       |                       |                        |                 |
| Net Investment in Capital Assets | 752,982,537           | 806,700,457           | (53,717,920)           | (6.7)%          |
| Restricted for:                  |                       |                       |                        |                 |
| Debt Service                     | 57,413,864            | 3,382,532             | 54,031,332             | 1597.4%         |
| Annexations                      | 5,780,515             | 5,780,515             | -                      | 0.0%            |
| Capital Projects                 | 8,691,843             | 5,816,891             | 2,874,952              | 49.4%           |
| Unrestricted                     | <u>12,162,272</u>     | <u>(16,956,299)</u>   | <u>29,118,571</u>      | <u>(171.7)%</u> |
| Total Net Position               | <u>\$ 837,031,031</u> | <u>\$ 804,724,096</u> | <u>\$ 32,306,935</u>   | <u>4.0%</u>     |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|  | June 30, 2023         | June 30, 2022         | Increase or (Decrease) |                |
|--|-----------------------|-----------------------|------------------------|----------------|
|  |                       |                       | Dollar                 | Percent        |
| <b>Operating Revenue</b>                     |                       |                       |                        |                |
| Fares  | \$ 16,614,532         | \$ 14,308,769         | \$ 2,305,763           | 16.1%          |
| <b>Non-Operating Revenues</b>                |                       |                       |                        |                |
| Operating Assistance                         | 217,040,882           | 204,005,938           | 13,034,944             | 6.4%           |
| Investment Income                            | 5,222,508             | 2,311,345             | 2,911,163              | 126.0%         |
| Other Revenue                                | 8,439,389             | 13,099,429            | (4,660,040)            | (35.6)%        |
| Total Operating and Non-Operating Revenue    | <u>247,317,311</u>    | <u>233,725,481</u>    | <u>13,591,830</u>      | <u>5.8%</u>    |
| <b>Operating and Non-Operating Expenses</b>  |                       |                       |                        |                |
| Labor & Fringe Benefits                      | 161,215,158           | 143,524,063           | 17,691,095             | 12.3%          |
| Professional & Other Services                | 20,499,992            | 17,656,676            | 2,843,316              | 16.1%          |
| Spare Parts & Supplies                       | 19,562,645            | 15,861,776            | 3,700,869              | 23.3%          |
| Utilities                                    | 7,987,760             | 7,424,682             | 563,078                | 7.6%           |
| Casualty & Liability Costs                   | 28,247,808            | 19,783,494            | 8,464,314              | 42.8%          |
| Depreciation                                 | 47,140,507            | 46,623,437            | 517,070                | 1.1%           |
| Other  | 2,658,014             | 2,517,875             | 140,139                | 5.6%           |
| Impairment Loss                              | 22,254,333            | -                     | 22,254,333             | N/A            |
| Interest Expense                             | 4,244,009             | 4,672,261             | (428,252)              | (9.2)%         |
| Pass through to Subrecipients                | 1,110,123             | 2,742,607             | (1,632,484)            | (59.5)%        |
| Total Operating and Non-Operating Expenses   | <u>314,920,349</u>    | <u>260,806,871</u>    | <u>54,113,478</u>      | <u>20.7%</u>   |
| Loss Before Capital Contributions            | (67,603,038)          | (27,081,390)          | (40,521,648)           | 149.6%         |
| <b>Capital Contributions</b>                 |                       |                       |                        |                |
| State and Local                              | 64,933,237            | 41,351,937            | 23,581,300             | 57.0%          |
| Federal                                      | 34,976,736            | 29,408,366            | 5,568,370              | 18.9%          |
| Total Capital Contributions                  | <u>99,909,973</u>     | <u>70,760,303</u>     | <u>29,149,670</u>      | <u>41.2%</u>   |
| Increase in Net Position Before Special Item | 32,306,935            | 43,678,913            | (11,371,978)           | 26.0%          |
| Special Item: Transfer of Operations         | -                     | 15,781,405            | (15,781,405)           | -              |
| Increase in Net Position                     | <u>32,306,935</u>     | <u>59,460,318</u>     | <u>(27,153,383)</u>    | <u>(45.7)%</u> |
| Net Position, beginning of year              | <u>804,724,096</u>    | <u>745,263,778</u>    | <u>59,460,318</u>      | <u>8.0%</u>    |
| Net Position, end of year                    | <u>\$ 837,031,031</u> | <u>\$ 804,724,096</u> | <u>\$ 32,306,935</u>   | <u>4.0%</u>    |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
REVENUES BY SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Operating and Non-operating Revenue by Source**



The significant changes in Operating and Non-operating Revenue by Source are described below:

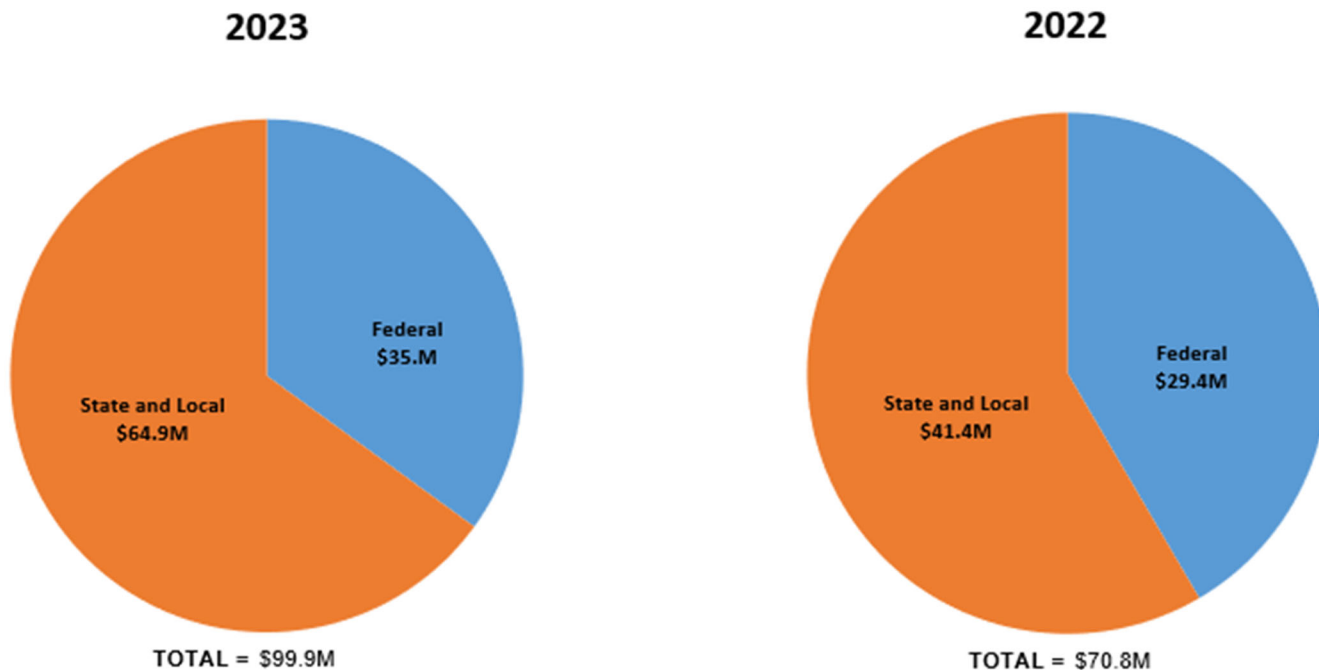
Fares, investment income, contracted services, alternative fuel and carbon tax credits and other revenue increased by a combined \$556,886 for the fiscal year ended June 30, 2023, or 1.9 percent. This is attributed to higher returns on SacRT's cash position and increases in fare purchases due to escalating ridership, transit passes issued to college students, as well as the expansion of SacRT's student fare free program, RydeFreeRT. This increase was partially mitigated due to insurance proceeds recognized from a damaged light rail vehicle and the sale of SacRT's Calvine property in the prior year.

Operating assistance increased by \$13,034,944 or 6.4 percent for the fiscal year ended June 30, 2023 primarily due to an increase in sales tax generated revenue from the Transportation Development Act's Local Transportation Fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
REVENUES BY SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**Capital Contributions by Source**

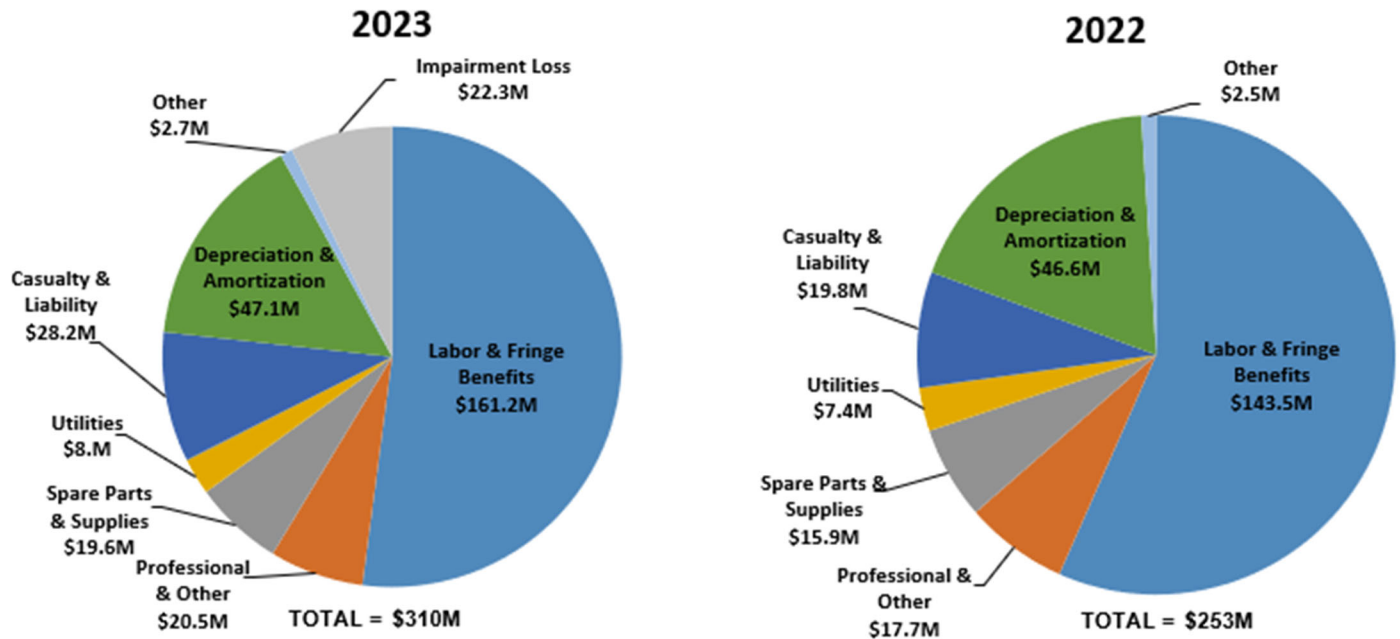


The significant changes in Capital Contributions by Source are described below:

The majority of construction and acquisition activities are funded with capital contributions from other governmental units such as federal, state, and local agencies. Capital contributions increased by \$29,149,670 million or 41.2 percent during the fiscal year ended June 30, 2023. The increase is primarily due to progress payments for SacRT's light rail modernization project and the purchase of 22 new 40' Gillig buses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
OPERATING EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Operating Expenses**



The significant changes in Operating Expenses by Source are described below:

- Total operating costs increased by \$56,174,214 or 22.2 percent for the fiscal year ended June 30, 2023. This increase is due to labor and fringe benefit costs, increases in Casualty and Liability insurance costs premiums and claims and the recording of permanent capital asset impairments. The increase in labor and fringe benefits is due to a rise in pension costs resulting from an increase in SacRT's actuarially determined pension contribution and a rise in labor costs resulting from contractual pay rate escalation. The increase in Casualty and Liability insurance costs is due to an increase in personal liability and property damage and workers compensation claims. SacRT recorded a permanent asset impairment loss for 20 light rail vehicles and related spare parts.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
FISCAL YEAR 2023  
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

| <b>Statement of Revenues and Expenses</b>        | <b>FY 2023 Funding Designation</b> |   |                      |
|--|------------------------------------|---|----------------------|
|  | Operations                         | Capital Improvement<br>Program, GASB 68 &<br>75, 78 | Total                |
| <b>OPERATING REVENUES (Fares)</b>                | <b>\$ 16,614,532</b>               | <b>\$ -</b>   | <b>\$ 16,614,532</b> |
| <b>OPERATING EXPENSES</b>                        |                                    |   |                      |
| Labor and Fringe Benefits                        | 159,973,967                        | 1,241,191   | 161,215,158          |
| Professional and Other Services                  | 20,082,342                         | 417,650   | 20,499,992           |
| Spare Parts and Supplies                         | 18,955,278                         | 607,367   | 19,562,645           |
| Utilities  | 7,987,760                          | -   | 7,987,760            |
| Casualty and Liability Costs                     | 28,247,808                         | -   | 28,247,808           |
| Depreciation                                     | 1,453,449                          | 45,687,058  | 47,140,507           |
| Other  | 2,658,014                          | -   | 2,658,014            |
| Impairment Loss                                  | -                                  | 22,254,333  | 22,254,333           |
| <b>Total Operating Expenses</b>                  | <b>239,358,618</b>                 | <b>70,207,599</b>                                   | <b>309,566,217</b>   |
| <b>Loss from Operations</b>                      | <b>(222,744,086)</b>               | <b>(70,207,599)</b>                                 | <b>(292,951,685)</b> |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>         |                                    |   |                      |
| Operating Assistance                             |                                    |   |                      |
| State and Local                                  | 159,055,051                        | -   | 159,055,051          |
| Federal  | 56,875,708                         | 1,110,123   | 57,985,831           |
| Investment Income                                | 5,113,768                          | 108,740   | 5,222,508            |
| Interest Expense                                 | (3,011,210)                        | (1,232,799)   | (4,244,009)          |
| Pass Through to Subrecipients                    | -                                  | (1,110,123)   | (1,110,123)          |
| Professional and Other Services Funded by Others | -                                  | -   | -                    |
| Contract Services                                | 842,450                            | -   | 842,450              |
| Alternative Fuel and Carbon Tax Credits          | 848,244                            | 516,287   | 1,364,531            |
| Insurance Proceeds and Other                     | 6,172,355                          | 60,053  | 6,232,408            |
| <b>Total Non-operating Revenues (Expense)</b>    | <b>225,896,366</b>                 | <b>(547,719)</b>                                    | <b>225,348,647</b>   |
| <b>Gain (Loss) Before Capital Contributions</b>  | <b>3,152,280</b>                   | <b>(70,755,318)</b>                                 | <b>(67,603,038)</b>  |
| Capital Contributions                            |                                    |   |                      |
| State and Local                                  | -                                  | 64,933,237  | 64,933,237           |
| Federal  | -                                  | 34,976,736  | 34,976,736           |
| <b>Total Capital Contributions</b>               | <b>-</b>                           | <b>99,909,973</b>                                   | <b>99,909,973</b>    |
| <b>Change in Net Position</b>                    | <b>\$ 3,152,280</b>                | <b>\$ 29,154,655</b>                                | <b>\$ 32,306,935</b> |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED 2023**

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The Annual Comprehensive Financial Report (ACFR) presentation differs from SacRT's operating and capital budgets in that the ACFR combines both operating and capital activities. To assist SacRT's Board and readers in their review, a Statement of Revenues and Expenses by Funding Designation is provided to show SacRT's operating and capital funds separately. As of June 30, 2023, SacRT's operating results were as follows: \$16,614,532 in fare revenues, \$239,358,618 in operating expenses, and \$225,896,366 in non-operating revenues, resulting in a \$3,152,280 operating surplus. Additional information regarding the Statement of Revenues by Funding Designation can be found in SacRT's 2023 ACFR Staff Report to the Board of Directors.

**Analysis of SacRT's Financial Position**

SacRT's net position provides information on near term inflows, outflows, and balances of spendable resources. SacRT is reporting a net position as of June 30, 2023 of \$837,031,031 and operating and capital activity increase of \$32,306,935 or 4.0 percent.

**Capital Asset and Long-Term Debt Activity**

As of June 30, 2023, SacRT's investment in various capital assets, such as bus and light rail vehicles, facilities, land, buildings and equipment increased to \$878,672,218 from \$860,834,020 representing a 2.1 percent increase as capital acquisition exceeded depreciation. Additional information on capital assets can be found in Footnote 3 of the financial statements.

In August 2021, SacRT issued \$35,475,000 of Refunding Bonds, Series 2021A, at a premium of \$9,165,477 to current refund and defease all the outstanding Farebox Revenue Bonds, Series 2012. The \$43,806,597 balance represents what remains of the Refunding Bonds, Series 2021A and the unamortized premium. The Farebox Revenue Bonds, Series 2012, issued in the fiscal year 2013 were used to primarily fund construction on the South Line Phase 2 light rail extension. SacRT recorded a liability and a corresponding asset of \$53,985,255 as of June 30, 2023, resulting from its participation in three Lease/Leaseback transactions. Additional information on debt activity can be found in Footnotes 4 through 7 to the financial statements.

**Current Economic Factors and Conditions**

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration-Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) as well as \$1.5 million in CRSSA funds available from the City of Elk Grove annexation. CRRSAA is a federal formula grant program in which SacRT used approximately \$18.7 million for operations in fiscal year 2022 and the balance of \$20.6 million fiscal year 2023.

Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32.0 million in fiscal year 2023, will use approximately \$35.2 million in fiscal year 2024 and the balance in fiscal year 2025.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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SacRT has plans for future expansion and improvement of light rail and bus services. As of June 30, 2023, SacRT has construction contracts and property acquisition commitments of approximately \$107,632,197.

**Request for Information**

Please address all questions or requests for additional information to the Finance and Treasury Department, Attention: Chief Financial Officer, Sacramento Regional Transit District, 1102 Q Street, Suite 3000, Sacramento, CA 95811 or P.O. Box 2110, Sacramento CA 95812.



## Financial Statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
JUNE 30, 2023**

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**ASSETS**

|  |                                |
|--|--------------------------------|
| Current Assets:  |                                |
| Cash and Cash Equivalents                                  | \$ 53,169,767                  |
| Restricted Cash and Cash Equivalents                       | 6,389,649                      |
| Investments  | 35,619,421                     |
| Restricted Investments                                     | 3,799,273                      |
| Receivables:   |                                |
| State and Local Government                                 | 35,071,354                     |
| Federal Government   | 25,575,300                     |
| Other  | 3,060,631                      |
| Spare Parts and Supplies Inventory                         | 18,133,450                     |
| Other Current Assets                                       | <u>603,385</u>                 |
| Total Current Assets                                       | <u>181,422,230</u>             |
| Non-Current Assets:  |                                |
| Restricted Cash and Cash Equivalents                       | 9,612,069                      |
| Investments  | 5,288,877                      |
| Restricted Investments                                     | 19,442,425                     |
| Deposits for Lease/Leaseback Payable                       | 53,985,255                     |
| Non-Depreciated/Amortized Capital Assets                   | 229,631,550                    |
| Depreciated/Amortized Capital Assets, Net                  | <u>649,040,668</u>             |
| Total Non-Current Assets                                   | <u>967,000,844</u>             |
| Total Assets   | <u>1,148,423,074</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                                |
| Deferred Outflows from Pension                             | 58,437,612                     |
| Deferred Outflows from Other Post<br>Employment Benefits   | 9,794,652                      |
| Deferred Outflows: Loss on Refunding                       | <u>5,734,391</u>               |
| Total Deferred Outflows of Resources                       | <u>73,966,655</u>              |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b> | <u><u>\$ 1,222,389,729</u></u> |

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
JUNE 30, 2023**

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**LIABILITIES**

Current Liabilities:

|                                 |                   |
|---------------------------------|-------------------|
| Accounts Payable                | \$ 30,602,668     |
| Other Accrued Liabilities       | 6,289,454         |
| Compensated Absences            | 10,213,596        |
| Interest Payable                | 520,744           |
| Unearned Revenue                | 2,799,747         |
| Advances from Other Governments | 3,662,347         |
| Claims Payable                  | 9,897,530         |
| Lease Payable                   | 1,030,613         |
| Subscription Payable            | 562,041           |
| Total Current Liabilities       | <u>65,578,740</u> |

Long-Term Liabilities:

|  |                    |
|--|--------------------|
| Compensated Absences                         | 1,460,102          |
| Advances from Other Governments              | 16,662,139         |
| Claims Payable                               | 18,885,135         |
| Refunding Bonds                              | 43,806,597         |
| Lease Payable                                | 6,924,880          |
| Subscriptions Payable                        | 648,443            |
| Lease/Leaseback Payable                      | 53,985,255         |
| Net Pension Liability                        | 145,382,947        |
| Net Other Post Employment Benefits Liability | 15,596,030         |
| Total Long-Term Liabilities                  | <u>303,351,528</u> |
| Total Liabilities                            | <u>368,930,268</u> |

**DEFERRED INFLOWS OF RESOURCES**

|  |                   |
|--|-------------------|
| Deferred Inflows from Other Post Employment Benefits | 7,789,762         |
| Deferred Gain on Lease/Leaseback                     | 4,607,850         |
| Deferred Inflows: Gain on Refunding                  | 3,276,603         |
| Deferred Inflows from Pension                        | 754,215           |
| Total Deferred Inflows of Resources                  | <u>16,428,430</u> |

**NET POSITION**

|                                  |                    |
|----------------------------------|--------------------|
| Net Investment in Capital Assets | 752,982,537        |
| Restricted for:                  |                    |
| Debt Service                     | 57,413,864         |
| Annexations                      | 5,780,515          |
| Capital Projects                 | 8,691,843          |
| Unrestricted                     | 12,162,272         |
| Total Net Position               | <u>837,031,031</u> |

**TOTAL LIABILITIES, DEFERRED  
INFLOWS OF RESOURCES, AND  
NET POSITION**

\$ 1,222,389,729

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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|  |                       |
|--|-----------------------|
| <b>OPERATING REVENUES</b>                    |                       |
| Fares  | \$ 16,614,532         |
| <b>OPERATING EXPENSES</b>                    |                       |
| Labor and Fringe Benefits                    | 161,215,158           |
| Professional and Other Services              | 20,499,992            |
| Spare Parts and Supplies                     | 19,562,645            |
| Utilities                                    | 7,987,760             |
| Casualty and Liability Costs                 | 28,247,808            |
| Depreciation/Amortization                    | 47,140,507            |
| Other  | 2,658,014             |
| Impairment Loss                              | 22,254,333            |
| Total Operating Expenses                     | <u>309,566,217</u>    |
| Operating Loss                               | (292,951,685)         |
| <b>NON-OPERATING REVENUES<br/>(EXPENSES)</b> |                       |
| Operating Assistance:                        |                       |
| State and Local                              | 159,055,051           |
| Federal                                      | 57,985,831            |
| Investment Income                            | 5,222,508             |
| Interest Expense                             | (4,244,009)           |
| Pass-Through to Subrecipients                | (1,110,123)           |
| Contract Services                            | 842,450               |
| Alternative Fuel and Carbon Tax Credits      | 3,712,625             |
| Other  | 3,884,314             |
| Total Non-Operating Revenues                 | <u>225,348,647</u>    |
| Loss Before Capital Contributions            | (67,603,038)          |
| Capital Contributions:                       |                       |
| State and Local                              | 64,933,237            |
| Federal                                      | 34,976,736            |
| Total Capital Contributions                  | <u>99,909,973</u>     |
| Increase in Net Position                     | 32,306,935            |
| Net Position, beginning of year              | <u>804,724,096</u>    |
| Net Position, end of year                    | <u>\$ 837,031,031</u> |

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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|  |                      |
|--|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                      |
| Cash Received from Customers   | \$ 18,091,645        |
| Cash Received from Contract Sources                                  | 842,450              |
| Cash Paid to Suppliers   | (71,859,584)         |
| Cash Paid to Employees and Employee Benefits                         | (158,759,823)        |
| Cash Received from Other Sources                                     | <u>7,435,637</u>     |
| <b>Net Cash Used in Operating Activities</b>                         | <u>(204,249,675)</u> |
| <br><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>           |                      |
| State and Local Receipts   | 142,121,270          |
| Federal Receipts   | 53,161,252           |
| Payments Pass-Through to Subrecipients                               | <u>(1,110,123)</u>   |
| <b>Net Cash Provided by Noncapital Financing Activities</b>          | <u>194,172,399</u>   |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                      |
| Acquisition and Construction of Capital Assets                       | (62,334,345)         |
| Payment/Receipt on Refunding   | -                    |
| Bond Issuance Costs Paid   | -                    |
| Interest Paid  | (2,890,436)          |
| Proceeds from Sale of Capital Assets Receipts                        | 161,302              |
| State and Local Capital Grants Receipts                              | 58,786,524           |
| Federal Capital Grants   | 32,243,488           |
| Principal Payments on Leases   | (517,174)            |
| Principal Payments on Subscriptions                                  | <u>(919,172)</u>     |
| <b>Net Cash Provided by Capital and Related Financing Activities</b> | <u>24,530,187</u>    |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                      |
| Proceeds from Sales and Maturities of Investments                    | 1,078,649            |
| Purchases of Investments   | (13,665,570)         |
| Investment Income  | <u>1,339,682</u>     |
| <b>Net Cash Provided by Investing Activities</b>                     | <u>(11,247,239)</u>  |
| Net Increase in Cash and Cash Equivalents                            | 3,205,672            |
| Cash and Cash Equivalents, July 1                                    | <u>65,965,813</u>    |
| <b>Cash and Cash Equivalents, June 30</b>                            | <u>\$ 69,171,485</u> |
| <br><b>RECONCILIATION TO STATEMENT OF NET POSITION</b>               |                      |
| Cash and Cash Equivalents  | \$ 53,169,767        |
| Restricted Cash and Cash Equivalents, Current                        | 6,389,649            |
| Restricted Cash and Cash Equivalents, Non-Current                    | <u>9,612,069</u>     |
| <b>Total Cash and Cash Equivalents</b>                               | <u>\$ 69,171,485</u> |

See accompanying notes to the financial statements.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES:**

|  |                                |
|--|--------------------------------|
| Operating Loss   | \$ (292,951,685)               |
| Adjustments to Reconcile Net Loss from Operations to Net<br>Cash Used in Operating Activities: |                                |
| Depreciation/Amortization  | 47,140,507                     |
| Impairment Loss  | 22,254,333                     |
| Contract Services- Nonoperating Income   | 842,450                        |
| Miscellaneous Nonoperating Income  | 7,435,637                      |
| Effect of Changes in:  |                                |
| Other Receivables  | 711,837                        |
| Spare Parts and Supplies Inventory   | 37,660                         |
| Other Current Assets   | 358,129                        |
| Accounts Payable and Accrued Liabilities   | (219,144)                      |
| Compensated Absences   | 685,331                        |
| Unearned Revenue   | 765,276                        |
| Claims Payable   | 7,466,685                      |
| Deferred Outflows from Pension   | (5,229,657)                    |
| Net Pension Liability  | 45,087,211                     |
| Deferred Inflows from Pension  | (37,196,843)                   |
| Deferred Outflows from Other Post Employment Benefits  | (4,619,222)                    |
| Net Other Post Employment Benefit Liability  | 9,934,300                      |
| Deferred Inflows from Other Post Employment Benefits   | (6,752,480)                    |
| <b>Net Cash Used in Operating Activities</b>   | <u><u>\$ (204,249,675)</u></u> |

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

|   |              |
|---|--------------|
| Interest Income from Investments Held to Pay<br>Lease/Leaseback | \$ 1,664,480 |
| Interest Expense on Capital Lease/Leaseback                     | (1,664,480)  |
| Capital Assets Included in Accounts Payable                     | 21,718,855   |
| Capital Contributions Included in Receivables                   | 25,900,398   |

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023**

|  | <u>Pension Trust<br/>Funds</u> | <u>Connect Card<br/>Custodial<br/>Fund</u> |
|--|--------------------------------|--|
| <b>ASSETS</b>                                  |                                |  |
| Cash and Cash Equivalents                      | \$ 19,787,498                  | \$ 757,673                                 |
| Receivables:                                   |                                |  |
| Securities Sold                                | 7,078,567                      | -  |
| Invoiced Receivables                           | -                              | 94,045                                     |
| Interest and Dividends                         | 637,515                        | -  |
| Other Receivables and Prepaids                 | 73,656                         | 29,793                                     |
| Total Receivables                              | <u>7,789,738</u>               | <u>123,838</u>                             |
| Investments:                                   |                                |  |
| Equity Securities                              | 251,245,058                    | -  |
| Fixed Income Securities                        | 86,294,530                     | -  |
| Real Estate                                    | 34,438,121                     | -  |
| Total Investments                              | <u>371,977,709</u>             | <u>-</u>                                   |
| Total Assets                                   | <u>399,554,945</u>             | <u>881,511</u>                             |
| <b>LIABILITIES</b>                             |                                |  |
| Securities Purchased Payable                   | 27,346,822                     | -  |
| Accounts Payable                               | 683,948                        | -  |
| Due to Connect Card Consortium Members         | <u>-</u>                       | <u>264,774</u>                             |
| Total Liabilities                              | <u>28,030,770</u>              | <u>264,774</u>                             |
| <b>NET POSITION</b>                            |                                |  |
| Restricted for Pension Benefits                | 371,524,175                    | -  |
| Restricted for Connect Card Consortium Members | <u>-</u>                       | <u>616,737</u>                             |
| Total Net Position                             | <u>\$ 371,524,175</u>          | <u>\$ 616,737</u>                          |

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|  | Pension Trust<br>Funds | Connect Card<br>Custodial<br>Fund |
|--|------------------------|-----------------------------------|
| <b>ADDITIONS</b>                                     |                        |                                   |
| Contributions:                                       |                        |                                   |
| Employer   | \$ 26,557,004          | \$ -                              |
| Member   | 2,873,527              | -                                 |
| Change in Bargaining Group                           | 248,765                | -                                 |
| Total Contributions                                  | 29,679,296             | -                                 |
| Investment Income (Loss):                            |                        |                                   |
| Net Appreciation in Fair Value of Investments        | 21,776,045             | -                                 |
| Interest, Dividends, and Other Income                | 6,574,922              | 10                                |
| Investment Expenses                                  | (1,810,298)            | -                                 |
| Net Investment Income                                | 26,540,669             | 10                                |
| Connect Card Fare Collections for Consortium Members | -                      | 1,310,909                         |
| Total Additions                                      | 56,219,965             | 1,310,919                         |
| <b>DEDUCTIONS</b>                                    |                        |                                   |
| Benefits Paid to Participants                        | 30,702,604             | -                                 |
| Change in Bargaining Group                           | 248,765                | -                                 |
| Distribution to Consortium Members                   | -                      | 1,135,795                         |
| Administrative Expenses                              | 767,609                | 89,703                            |
| Total Deductions                                     | 31,718,978             | 1,225,498                         |
| Increase in Net Position                             | 24,500,987             | 85,421                            |
| Net Position - Beginning of Year                     | 347,023,188            | 531,316                           |
| Net Position - End of Year                           | \$ 371,524,175         | \$ 616,737                        |

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**THE REPORTING ENTITY**

The Sacramento Regional Transit District (SacRT) was established in 1973 pursuant to the Sacramento Regional Transit District Act. SacRT has the responsibility to develop, maintain, and operate a public mass transit transportation system for the benefit of the residents of the Sacramento area. SacRT is governed by a Board of Directors appointed by the Sacramento City Council, the Sacramento County Board of Supervisors, the Elk Grove City Council, the Citrus Heights City Council, the Rancho Cordova City Council, and the Folsom City Council.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and its amendment GASB No. 61, SacRT has reviewed the criteria to determine whether other entities with activities that benefit SacRT should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity has a significant operational and financial relationship with SacRT.

SacRT has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in SacRT's financial statements. In addition, SacRT is not aware of any entity that has such a relationship to SacRT that would result in SacRT being considered a component unit of that other entity.

**BASIS OF PRESENTATION**

The accounts of SacRT are organized and operated on the basis of funds, each of which is considered an independent fiscal and accounting entity. The activities of each fund are accounted for with a separate set of self-balancing statements that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses, as appropriate. These statements distinguish between the business-type and fiduciary activities of SacRT. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. SacRT's statements are organized into the following fund types:

Proprietary Fund Type

The **Enterprise Fund** distinguishes operating revenues and expenses from non-operating items. SacRT's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases, rentals, and depreciation on capital assets. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Unrestricted net position for the enterprise fund represents the net position available for future operations.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fiduciary Fund Types

The **Pension Trust Funds** are used to account for assets held by SacRT in a trustee capacity. The SacRT maintains the following Pension Trust Funds:

The Amalgamated Transit Union (ATU) Local 256 Retirement Plan Fund (ATU Plan) accounts for the retirement funds of members of ATU Local 256.

The International Brotherhood of Electrical Workers (IBEW) Local 1245 Member Retirement Plan Fund (IBEW Plan) accounts for the retirement funds of members of IBEW Local 1245.

The Salaried Employees Retirement Plan Fund (Salaried Plan) accounts for the retirement funds of SacRT's salaried employees.

The **Connect Card Custodial Fund** is used to account for assets held by SacRT for the benefit of the transit agencies who are members of the Connect Card Consortium. Connect Card is the Sacramento region's electronic transit fare payment system and the Connect Card Consortium's participating agencies include SacRT, El Dorado Transit, Placer County Transit, Roseville Transit, SCT/Link, YoloBus and Yuba-Sutter Transit. Any balances or transactions related to SacRT are not recorded in the fund and instead are recorded in SacRT's enterprise fund.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund and the fiduciary funds are accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of increased/decreased net position. The accrual basis of accounting is used for the enterprise fund and the fiduciary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. SacRT contributions to the pension trust funds are recognized in the period in which contributions are due, while benefits and refunds are recognized when due and payable in accordance with the pension trust funds plan agreements.

**BUDGETARY INFORMATION**

State law requires the adoption of an annual budget for the enterprise fund, which must be approved by the Board of Directors. The budget is prepared on an accrual basis. Budgetary control is maintained at several levels. The legal level of control is at the fund level. The Board of Directors authorizes budget amendments to the fund level. Line item reclassification amendments to the budget must be authorized by the responsible manager. Operating expenses are monitored by department managers who are assigned responsibility for controlling their budgets. Emphasis is placed on the total budget for the division. Capital expenses operate under the control of a project-to-date budget.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, SacRT considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

**INVESTMENTS**

Investments consist of securities or other assets that SacRT holds primarily for the purpose of income or profit and its present service capacity is based solely on its ability to generate cash or to be sold to generate cash. Investments are recorded at fair value.

**RESTRICTED ASSETS**

Restricted assets consist of monies and other resources, the use of which is legally restricted for capital projects and debt service.

**RECEIVABLES**

Receivables are reported at present value less the estimated portion that is estimated to be uncollectible. As of June 30, 2023, management has estimated that no allowance for uncollectible accounts is needed.

**INVENTORIES**

Inventories are stated at average cost and charged to expense at the time individual items are withdrawn from inventory (consumption method). Inventory consists primarily of parts and supplies relating to transportation vehicles and facilities.

**CAPITAL ASSETS**

Capital assets are stated at historical cost (except for intangible right-to-use lease assets and intangible right-to-use SBITAs, the measurement of which is discussed in leases below). Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs is charged to operations as incurred. Infrastructure, which includes light rail vehicle tracks, has been capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives and intangible right-to-use assets are amortized over the shorter of their estimated useful life or the remaining lease or subscription term. Depreciable/amortized lives are as follows:

|   |                |
|---|----------------|
| Buildings and improvements                    | 30 to 50 years |
| Intangible right-to use buildings             | 2 to 51 years  |
| Buses and maintenance vehicles                | 4 to 12 years  |
| Light-rail structures and light rail vehicles | 25 to 45 years |
| Intangible right-to use light rail vehicles   | 27 to 29 years |
| Other operating equipment                     | 5 to 15 years  |
| Intangible right-to use SBITAs                | 2 to 5 years   |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

No depreciation is provided on construction in progress until construction is completed and the asset is placed in service. It is SacRT's policy to capitalize all capital assets with an individual cost of more than \$5,000 or a group of similar items amounting to \$100,000 or more with an individual cost of at least \$500 and a useful life in excess of one year.

Impairment of Capital Assets: In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technology changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will continue to be used are written down to reflect the decline in service utility of the capital asset. Impaired capital asset that will no longer be used are reported at the lower of carrying value or fair value. During the year ended June 30, 2023, SacRT reported an impairment loss of \$22,254,333. See Note 3 for additional information regarding this impairment.

**LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

SacRT is a lessee for noncancellable leases of buildings and equipment as well as a contractee to subscription-based information technology arrangements (SBITAs). SacRT recognizes lease and SBITA liabilities and intangible right-to-use lease and SBITA assets in the enterprise fund's financial statements. SacRT recognizes lease and SBITA liabilities with an initial, individual value greater than 1 percent of the 5-year average of annual total liabilities for lease and subscription based information technology arrangement contracts.

At the commencement of the lease or SBITA, SacRT initially measures the lease or SBITA liability at the present value of payments expected to be made during the lease or subscription term. Subsequently, the lease or SBITA liability is reduced by the principal portion of the lease or SBITA payments made. The lease or SBITA asset is initially measured as the initial amount of the lease or SBITA liability adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease or SBITA asset is amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the term of the lease or SBITA contract.

Key estimates and judgments related to leases and SBITAs include how SacRT determines the discount rate it uses to discount the expected lease and SBITA payments to present value and the lease or SBITA term. SacRT uses the interest rate charged by the lessor if known, the implicit rate in the lease if calculable, or more commonly SacRT's incremental borrowing rate as the discount rate for leases. The lease or SBITA term includes the noncancellable period of the lease or SBITA including extensions that SacRT is reasonably certain to exercise. SacRT monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**COMPENSATED ABSENCES**

SacRT's policy allows employees to accumulate earned unused vacation and sick leave which can be paid to employees upon separation from SacRT. These compensated absences are reported and accrued as a liability in the period incurred.

The current portion of the compensated absences is estimated by applying a percentage to the end of the year compensated absences liability. The percentage is calculated by dividing the vacation and sick leave that was liquidated (used/cashed out) during the year by the beginning vacation and sick leave balance.

**FEDERAL, STATE, AND LOCAL GRANT FUNDS**

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, buildings, and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met.

Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Development Act (TDA) provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose, SacRT uses restricted resources first.

**SELF-INSURANCE AND CLAIMS PAYABLE**

SacRT is self-insured up to specified limits for workers' compensation claims, general liability claims, and major property damage. SacRT accrues the estimated costs of the self-insured portion of claims in the period in which the amount of the estimated loss is incurred.

**PENSION**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ATU Plan, IBEW Plan and Salaried Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds to employee contributions) are recognized when due and payable in accordance with the benefit terms.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Employers' Retiree Benefit Trust Program (CERBT) and additions to/deductions from CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS**

For the year ended June 30, 2023, SacRT adopted the following accounting Pronouncements:

- GASB Statement No 91, Conduit Debt Obligations, was adopted with no impact on the financial statements.
- GASB Statement No 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, was adopted with no impact on the financial statements.
- GASB Statement No. 96, Subscription Based Information Technology Arrangements, was adopted. As a result of adoption, SacRT reported an intangible right-to use SBITA asset of \$336,614 and subscriptions payable of \$239,457 as of July 1, 2022.
- GASB Statement No. 99, Omnibus, was adopted with no impact on the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**2. CASH AND INVESTMENTS**

The total cash and investments as of June 30, 2023, are reported in the accompanying basic financial statements as follows:

|                              | Enterprise<br>Fund    | Fiduciary<br>Funds    | Total                 |
|------------------------------|-----------------------|-----------------------|-----------------------|
| Unrestricted:                |                       |                       |                       |
| Cash and cash<br>equivalents | \$ 53,023,534         | \$ -                  | \$ 53,023,534         |
| Cash on hand                 | 146,233               | -                     | 146,233               |
| Investments                  | <u>40,908,298</u>     | -                     | <u>40,908,298</u>     |
| Total unrestricted           | <u>94,078,065</u>     | -                     | <u>94,078,065</u>     |
| Restricted:                  |                       |                       |                       |
| Cash and cash<br>equivalents | 16,001,718            | 20,545,171            | 36,546,889            |
| Investments                  | <u>23,241,698</u>     | <u>371,977,709</u>    | <u>395,219,407</u>    |
| Total restricted             | <u>39,243,416</u>     | <u>392,522,880</u>    | <u>431,766,296</u>    |
| Total cash and investments   | <u>\$ 133,321,481</u> | <u>\$ 392,522,880</u> | <u>\$ 525,844,361</u> |

**INVESTMENTS**

SacRT pursues a program of safety, liquidity, and yield in its cash management and investment program in order to achieve maximum return on the Enterprise Fund's available funds. The Enterprise Fund's investment policy (pertaining to investment of surplus funds) is governed by an annual Board adopted policy, which is in compliance with the provisions of Articles 1 and 2 of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

The following table identifies the investment types that are authorized by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type                    | Maximum Maturity | Minimum Rating | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|------------------|----------------|---------------------------------|----------------------------------|
| Local Agency Bonds                            | 5 years          | N/A            | None                            | None                             |
| U.S. Treasury Obligations                     | 5 years          | N/A            | None                            | None                             |
| U.S. Agency Securities                        | 5 years          | N/A            | None                            | None                             |
| Bankers' Acceptances                          | 180 days         | N/A            | 40%                             | 30%                              |
| Commercial Paper                              | 270 days         | A1/P1          | 25%                             | 10%                              |
| Negotiable Certificates of Deposit            | 5 years          | N/A            | 30%                             | None                             |
| Reverse Repurchase Agreements                 | 92 days          | N/A            | 20% of base value               | None                             |
| Medium-Term Notes                             | 5 years          | A              | 30%                             | None                             |
| Mutual Funds Investing in Eligible Securities | N/A              | AAA            | 20%                             | 10%                              |
| Mortgage Pass-Through Securities              | 5 years          | AA             | 20%                             | None                             |
| Local Agency Investment Fund                  | N/A              | N/A            | None                            | None                             |
| JPA Pools (other investment pools)            | N/A              | N/A            | None                            | None                             |

A Retirement Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Pension Plans" governs the Pension Trust Funds' investments. This policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions.

The following table identifies the investment types that are authorized by the Retirement Board. The table also identifies certain provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

| Authorized Investment Type                                     | Maximum Maturity (1) | Minimum Rating (3) | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|----------------------|--------------------|---------------------------------|----------------------------------|
| Cash   | None                 | N/A                | None                            | None                             |
| U.S. Treasury Bills  | None                 | N/A                | None                            | None                             |
| Agency Discount Notes  | None                 | N/A                | None                            | None                             |
| Certificates of Deposit  | None                 | N/A                | None                            | None                             |
| Bankers Acceptances  | None                 | N/A                | None                            | None                             |
| Commercial Paper   | None                 | A2/P2              | None                            | None                             |
| Asset-Backed Commercial Paper                                  | None                 | A2/P2              | None                            | None                             |
| Money Market Funds and Bank Short-Term Investment Funds (STIF) | None                 | N/A                | None                            | None                             |
| Repurchase Agreements  | None                 | N/A                | None                            | None                             |
| U.S. Government and Agency Securities                          | None                 | N/A                | None                            | None                             |
| Credit Securities/Corporate Debt (4)                           | None                 | N/A                | None                            | None                             |
| Securitized Investments (5)                                    | None                 | N/A                | None                            | None                             |
| Emerging Markets   | None                 | N/A                | None                            | None                             |
| International Fixed Income Securities                          | None                 | N/A                | None                            | None                             |
| Other Fixed Income Securities (6)                              | None                 | N/A                | None                            | None                             |
| Mutual Funds   | N/A                  | N/A                | 25% (2)                         | 5%                               |
| Real Estate Investment Trust                                   | N/A                  | N/A                | 25% (2)                         | 5%                               |
| Depository Receipt   | N/A                  | N/A                | 25% (2)                         | 5%                               |
| Stocks   | N/A                  | N/A                | 25% (2)                         | 5%                               |
| Other Equity Securities (7)                                    | N/A                  | N/A                | 25% (2)                         | 5%                               |
| Real Estate  | None                 | N/A                | None                            | None                             |

- (1) The fixed income portion of the ATU Plan, IBEW Plan and Salaried Plan shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

**INVESTMENT RISK FACTORS**

There are many factors that can affect the value of investments such as: interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. These types of risks may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

**INTEREST RATE RISK**

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with a shorter duration.

The following table provides information about the interest rate risks associated with applicable investments as of June 30, 2023:

| <u>Enterprise Fund</u>              | Maturities in Years  |                     |             |              | Total                |
|-------------------------------------|----------------------|---------------------|-------------|--------------|----------------------|
|                                     | Less than 1          | 1 – 5               | 6 – 10      | More than 10 |                      |
| Collateralized Mortgage Obligations | \$ 34,871            | \$ 147,463          | \$ -        | \$ -         | \$ 182,334           |
| Corporate Bonds                     | -                    | 880,470             | -           | -            | 880,470              |
| Municipals                          | 167,970              | 124,793             | -           | -            | 292,763              |
| U.S. Government Agency Obligations  | 63,421               | 658,443             | -           | -            | 721,864              |
| U.S. Government Issued Obligations  | -                    | 1,205,055           | -           | -            | 1,205,055            |
| Asset-Backed Securities             | -                    | 255,077             | -           | -            | 255,077              |
| CalTRUST                            | 60,612,433           | -                   | -           | -            | 60,612,433           |
| Total Enterprise Fund               | <u>\$ 60,878,695</u> | <u>\$ 3,271,301</u> | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ 64,149,996</u> |

| <u>Fiduciary Funds</u>              | Maturities in Years |                      |                      |                      | Total                |
|-------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | Less than 1         | 1 – 5                | 6 – 10               | More than 10         |                      |
| Collateralized Mortgage Obligations | \$ -                | \$ 182,656           | \$ 167,899           | \$ 5,041,545         | \$ 5,392,100         |
| Corporate Bonds                     | 354,313             | 10,145,913           | 7,892,680            | 6,721,805            | 25,114,711           |
| Municipal Bonds                     | -                   | -                    | -                    | 441,714              | 441,714              |
| U.S. Government Agency Obligations  | 1,889,890           | 2,980                | 344,485              | 31,226,819           | 33,464,174           |
| U.S. Government Issued Obligations  | -                   | 7,340,632            | 1,953,325            | 7,316,344            | 16,610,301           |
| Asset-Backed Securities             | 116,265             | 435,715              | 234,417              | 4,485,133            | 5,271,530            |
| Total Fiduciary Fund                | <u>\$ 2,360,468</u> | <u>\$ 18,107,896</u> | <u>\$ 10,592,806</u> | <u>\$ 55,233,360</u> | <u>\$ 86,294,530</u> |

**MORTGAGE PASS-THROUGH SECURITIES**

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**2. CASH AND INVESTMENTS (Continued)**

**COLLATERALIZED MORTGAGE OBLIGATIONS**

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

**ASSET-BACKED SECURITIES**

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

**CALLABLE BONDS**

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. SacRT or the Pension Trust Funds must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2023, SacRT held callable bonds in the amount of \$484,767. The Pension Trust Funds held callable bonds in the amount of \$22,750,797.

**INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST**

SacRT is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Local Investment Advisory Board (LIAB). The LIAB consists of five members as designated by State statute. The value of SacRT's investment in this pool is reported in the accompanying financial statements at amounts based upon the SacRT's pro-rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. SacRT's total investment in the LAIF at June 30, 2023, was \$61,569,246.

SacRT is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. SacRT's investments in CalTRUST are measured at net asset value (NAV), as described on page 35. As of June 30, 2023, SacRT's investments in CalTRUST were \$60,612,433, all of which is invested in the Short-Term fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

**CREDIT RISK**

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SacRT's investments in LAIF and CalTRUST external investment pools are not rated.

For the fiscal year ending June 30, 2023, management has reported that the Pension Trust Funds are in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines.

The following tables provide information on the credit ratings associated with investments as of June 30, 2023:

| Moody's Ratings | Enterprise Fund      |                         | Moody's Ratings | Fiduciary Funds       |                         |
|-----------------|----------------------|-------------------------|-----------------|-----------------------|-------------------------|
|                 | Amount               | Percentage of Portfolio |                 | Amount                | Percentage of Portfolio |
| Not Applicable  | \$ 60,612,433        | 94.49%                  | Not Applicable  | \$ 285,683,179        | 76.80%                  |
| Not rated       | 282,322              | 0.44%                   | Not rated       | 40,777,066            | 10.96%                  |
| Aaa/Aaa-mf/P1   | 2,104,868            | 3.28%                   | Aaa             | 17,024,720            | 4.58%                   |
| Aa2             | 368,374              | 0.57%                   | Aa1             | 534,981               | 0.14%                   |
| Aa3             | 32,886               | 0.05%                   | Aa2             | 917,907               | 0.25%                   |
| A1              | 395,792              | 0.62%                   | Aa3             | 551,673               | 0.15%                   |
| A2              | 246,240              | 0.38%                   | A1              | 5,114,664             | 1.37%                   |
| A3              | 107,081              | 0.17%                   | A2              | 1,076,212             | 0.29%                   |
|                 | <u>\$ 64,149,996</u> | <u>100.00%</u>          | A3              | 4,858,887             | 1.31%                   |
|                 |                      |                         | Baa1            | 2,127,609             | 0.57%                   |
|                 |                      |                         | Baa2            | 3,714,842             | 1.00%                   |
|                 |                      |                         | Baa3            | 3,657,196             | 0.98%                   |
|                 |                      |                         | Ba1             | 1,522,593             | 0.41%                   |
|                 |                      |                         | Ba2             | 464,861               | 0.12%                   |
|                 |                      |                         | Ba3             | 484,185               | 0.13%                   |
|                 |                      |                         | B1              | 982,513               | 0.26%                   |
|                 |                      |                         | B2              | 436,951               | 0.12%                   |
|                 |                      |                         | B3              | 1,050,052             | 0.28%                   |
|                 |                      |                         | Caa1            | 331,723               | 0.09%                   |
|                 |                      |                         | Caa2            | 63,357                | 0.02%                   |
|                 |                      |                         | Caa3            | 15,000                | 0.00%                   |
|                 |                      |                         | WR              | 587,538               | 0.17%                   |
|                 |                      |                         | Total           | <u>\$ 371,977,709</u> | <u>100.00%</u>          |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**2. CASH AND INVESTMENTS (Continued)**

**CONCENTRATION OF CREDIT RISK**

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of SacRT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, SacRT did not hold more than 5% of total investments in a single issuer.

The investment policy of the Pension Trust Funds states that an investment in domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the company's total outstanding shares. As of June 30, 2023, the Plans had the following investments in one issuer that comprised more than 5% of Plan investments.

Federal National Mortgage Association \$23,190,193

**CUSTODIAL CREDIT RISK**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2023, \$7,457,746 of SacRT's deposits and \$751,210 of the Custodial Fund's deposits were in excess of federal depository insurance (FDIC) limits and were held in collateralized accounts with securities collateralized in the financial institutions' name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SacRT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, SacRT had no investment securities exposed to custodial credit risk. The Pension Trust Funds' investment securities are not exposed to custodial credit risk because all securities are held by the Pension Trust Funds' custodian bank in SacRT's name.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**2. CASH AND INVESTMENTS (Continued)**

**FOREIGN CURRENCY RISK**

The current SacRT investment policy does not address foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Pension Trust Funds' investment policy states that international equity shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

The following table provides information on deposits and investments held in foreign currencies, which are stated in U.S. dollars. As of June 30, 2023, SacRT does not have any deposits or investments in a foreign currency; however, the Pension Trust Funds do have foreign currency deposits and investments, which may be used for hedging purposes.

As of June 30, 2023, the U.S. dollar balances organized by investment type and currency denominations as follows:

|                     | Foreign Currency | U.S.<br>Dollars |
|---------------------|------------------|-----------------|
| Cash                | Euro Currency    | \$ 4,476        |
| Corporate Bonds     | Euro Currency    | 152,757         |
| Government Agencies | Euro Currency    | 116,375         |
| Total               |                  | \$ 273,608      |

**FAIR VALUE MEASUREMENTS**

SacRT categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SacRT had the following recurring fair value measurements as of June 30, 2023:

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**2. CASH AND INVESTMENTS (Continued)**

**Investments measured at fair value**

|                                     | <u>6/30/2023</u> | <u>Level 1</u>   | <u>Level 2</u>   | <u>Level 3</u> |
|-------------------------------------|------------------|------------------|------------------|----------------|
| <b>Enterprise fund</b>              |                  |                  |                  |                |
| Debt securities                     |                  |                  |                  |                |
| Collateralized mortgage obligations | \$ 182,334       | \$ -             | \$ 182,334       | \$ -           |
| Corporate bonds                     | 880,470          | -                | 880,470          | -              |
| Municipals                          | 292,763          | -                | 292,763          | -              |
| U.S. Government Agency obligations  | 721,864          | -                | 721,864          | -              |
| U.S. Government issued obligations  | 1,205,055        | 1,205,055        | -                | -              |
| Asset backed securities             | 255,077          | -                | 255,077          | -              |
| Carbon credits (LCFS/RIN)*          | 440,318          | 440,318          | -                | -              |
| Total enterprise fund               | <u>3,977,881</u> | <u>1,645,373</u> | <u>2,332,508</u> | <u>-</u>       |

**Fiduciary funds**

|  |                       |                      |                      |             |
|--|-----------------------|----------------------|----------------------|-------------|
| Debt securities                          |                       |                      |                      |             |
| Collateralized mortgage obligations      | 5,392,100             | -                    | 5,392,100            | -           |
| Corporate bonds                          | 25,114,711            | -                    | 25,114,711           | -           |
| Municipals                               | 441,714               | -                    | 441,714              | -           |
| U.S. Government Agency obligations       | 33,464,174            | -                    | 33,464,174           | -           |
| U.S. Government issued obligations       | 16,610,301            | -                    | 16,610,301           | -           |
| Asset backed obligations                 | 5,271,530             | -                    | 5,271,530            | -           |
| Equity securities                        |                       |                      |                      |             |
| Common stock                             | 92,908,146            | 92,908,146           | -                    | -           |
| Depository receipts                      | 430,230               | 430,230              | -                    | -           |
| Rights/Warrants                          | 2,127                 | 2,127                | -                    | -           |
| Total fiduciary funds                    | <u>179,635,033</u>    | <u>93,340,503</u>    | <u>86,294,530</u>    | <u>-</u>    |
| Total investments measured at fair value | <u>\$ 183,612,914</u> | <u>\$ 94,985,876</u> | <u>\$ 88,627,038</u> | <u>\$ -</u> |

**Investments measured at the net asset value (NAV)**

**Enterprise fund**

|          |               |
|----------|---------------|
| CalTRUST | \$ 60,612,433 |
|----------|---------------|

**Fiduciary funds**

|   |                       |
|---|-----------------------|
| S&P 500 Index Fund                      | 62,164,518            |
| MSCI EAFE Index Fund                    | 17,845,877            |
| International Equity Fund               | 36,286,881            |
| International Small Capital Equity Fund | 19,342,499            |
| International Emerging Markets Fund     | 22,264,780            |
| Real Estate Funds                       | 34,438,121            |
| Total fiduciary funds                   | <u>192,342,676</u>    |
| Total investments measured at NAV       | <u>\$ 252,955,109</u> |

\*Balance included in Receivables Other on the Statement of Net Position

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**2. CASH AND INVESTMENTS (Continued)**

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.

|   | Amount                | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|---|-----------------------|-------------------------|-------------------------|-----------------------------|
| <b><u>Enterprise fund</u></b>               |                       |                         |                         |                             |
| CalTRUST (1)                                | \$ 60,612,433         | \$ -                    | Daily                   | 1 day                       |
| <b><u>Fiduciary funds</u></b>               |                       |                         |                         |                             |
| S&P 500 Index Fund (2)                      | 62,164,518            | -                       | Daily                   | 1 day                       |
| MSCI EAFE Index Fund (3)                    | 17,845,877            | -                       | Semi-monthly            | 6-8 days                    |
| International Equity Fund (4)               | 36,286,881            | -                       | Monthly                 | 7 days                      |
| International Small Capital Equity Fund (5) | 19,342,499            | -                       | Monthly                 | 2 days                      |
| International Emerging Markets Fund (6)     | 22,264,780            | -                       | Daily                   | 1 day                       |
| Real Estate Funds (7)                       | 34,438,121            | -                       | Daily, Quarterly        | 90 days, 1 quarter          |
| Total fiduciary fund                        | <u>192,342,676</u>    |                         |                         |                             |
| Total investments measured at NAV           | <u>\$ 252,955,109</u> |                         |                         |                             |

1. CalTRUST. This type includes an investment in an external investment pool that is governed by the California Government Investment Code. CalTRUST is benchmarked against LAIF and the Barclays Short-Term Government/Corporate Index. The fair value of the investment in this type has been determined using the NAV. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.
2. S&P 500 Index Fund. This type includes an investment in an S&P 500 index fund that invests to match the S&P 500 Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment is determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**2. CASH AND INVESTMENTS (Continued)**

3. MSCI EAFE Index Fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily international stocks. The per-unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.
4. International Equity Fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.
5. International Small Capital Equity Fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.
6. International Emerging Markets Fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investors may purchase or redeem shares of the fund on any business day.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**2. CASH AND INVESTMENTS (Continued)**

7. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments has been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Prime Property Fund, LLC had a redemption queue of \$4.1 billion at June 30, 2023. Prime Property Fund, LLC estimates the redemption queue will remain in effect at least through December 2024. The current redemption queue has been in effect since June 30, 2022. Clarion Lion Properties Fund, LP had a redemption queue of \$4.8 billion at June 30, 2023. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since September 30, 2022.

**RESTRICTED CASH AND INVESTMENTS**

Enterprise Fund

At June 30, 2023, cash and investments include restricted amounts of \$39,243,416. Amounts represent monies restricted for debt reserve requirements of \$3,957,821 developer fee projects of \$17,420,455, and grantor-approved projects of \$17,865,140.

Fiduciary Funds

At June 30, 2023, restricted cash and investments of the Fiduciary Funds totaled \$392,522,880. Amounts represent funds restricted for employees' retirement of \$391,765,207 and Connect Card consortium members of \$757,673.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**3. CAPITAL, LEASE AND SUBSCRIPTION ASSETS**

Capital, intangible right-to-use lease and subscription asset activity for the year ended June 30, 2023, was as follows:

|  | Balance<br>July 1, 2022 | Additions            | Transfers           | Deletions              | Balance<br>June 30, 2023 |
|--|-------------------------|----------------------|---------------------|------------------------|--------------------------|
| <b>Non-Depreciated Capital Assets</b>                      |                         |                      |                     |                        |                          |
| Land*  | \$ 84,774,783           | \$ -                 | \$ -                | \$ -                   | \$ 84,774,783            |
| Construction in Progress                                   | 92,386,315              | 71,065,403           | (18,594,951)        | -                      | 144,856,767              |
| <b>Total Non-Depreciated Capital Assets</b>                | <b>177,161,098</b>      | <b>71,065,403</b>    | <b>(18,594,951)</b> | <b>-</b>               | <b>229,631,550</b>       |
| <b>Depreciated Capital Assets</b>                          |                         |                      |                     |                        |                          |
| Buildings and Improvements*                                | 950,407,573             | 1,973,921            | 7,373,491           | (240,126)              | 959,514,859              |
| Rolling Stock and Equipment                                | 283,175,675             | 1,511,388            | 11,221,460          | (55,914,377)           | 239,994,146              |
| <b>Total Depreciated Capital Assets</b>                    | <b>1,233,583,248</b>    | <b>3,485,309</b>     | <b>18,594,951</b>   | <b>(56,154,503)</b>    | <b>1,199,509,005</b>     |
| <b>Accumulated Depreciation</b>                            |                         |                      |                     |                        |                          |
| Buildings and Improvements                                 | (436,915,860)           | (24,114,447)         | -                   | 240,126                | (460,790,181)            |
| Rolling Stock and Equipment                                | (182,266,065)           | (17,936,925)         | -                   | 39,836,114             | (160,366,876)            |
| <b>Total Accumulated Depreciation</b>                      | <b>(619,181,925)</b>    | <b>(42,051,372)</b>  | <b>-</b>            | <b>40,076,240</b>      | <b>(621,157,057)</b>     |
| <b>Capital Assets Being Depreciated, Net</b>               | <b>614,401,323</b>      | <b>(38,566,063)</b>  | <b>18,594,951</b>   | <b>(16,078,263)</b>    | <b>578,351,948</b>       |
| <b>Amortized Intangible Right-to-use Assets</b>            |                         |                      |                     |                        |                          |
| Intangible Right-to-use Buildings                          | 34,368,282              | 5,352,399            | -                   | -                      | 39,720,681               |
| Intangible Right-to-use Rolling Stock and Equipment**      | 113,888,206             | -                    | -                   | (13,622)               | 113,874,584              |
| Intangible Right-to-use SBITAs***                          | 336,614                 | 1,793,042            | -                   | -                      | 2,129,656                |
| <b>Total Amortized Right-to-use Assets</b>                 | <b>148,593,102</b>      | <b>7,145,441</b>     | <b>-</b>            | <b>(13,622)</b>        | <b>155,724,921</b>       |
| <b>Accumulated Amortization</b>                            |                         |                      |                     |                        |                          |
| Intangible Right-to-use Buildings                          | (5,654,818)             | (1,627,988)          | -                   | -                      | (7,282,806)              |
| Intangible Right-to-use Rolling Stock and Equipment**      | (73,666,685)            | (3,696,456)          | -                   | 13,622                 | (77,349,519)             |
| Intangible Right-to-use SBITAs***                          | -                       | (403,876)            | -                   | -                      | (403,876)                |
| <b>Total Accumulated Amortization</b>                      | <b>(79,321,503)</b>     | <b>(5,728,320)</b>   | <b>-</b>            | <b>13,622</b>          | <b>(85,036,201)</b>      |
| <b>Intangible Right-to-use Assets Being Amortized, Net</b> | <b>69,271,599</b>       | <b>1,417,121</b>     | <b>-</b>            | <b>-</b>               | <b>70,688,720</b>        |
| <b>Capital Assets, Net</b>                                 | <b>\$ 860,834,020</b>   | <b>\$ 33,916,461</b> | <b>\$ -</b>         | <b>\$ (16,078,263)</b> | <b>\$ 878,672,218</b>    |

\*Land and Building – the values of the land and buildings at McClellan Park, approximately \$3.7 million and \$6.7 million, respectively, are included as a capital assets in anticipation of SacRT receiving Fee Simple title to the property. On January 5, 2007, a net lease and purchase agreement was recorded, giving SacRT a 94-year land and building leasehold. Pursuant to such transaction, SacRT acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McClellan Park (formerly McClellan Air Force Base). As the United States Air Force has completed its Hazardous Materials clean-up and Fee Simple Title has been transferred from the United States Air Force to McClellan, SacRT believes Fee Simple title will pass from McClellan to SacRT next year. All payments to acquire the land and building have been made upfront.

\*\*Intangible Right-to-use Rolling Stock and related Accumulation Amortization - In the prior fiscal year, SacRT's light rail vehicles that are collateral for its leveraged lease/leaseback transactions were not properly classified as right-to-use rolling stock and accumulated amortization. The beginning balances have been adjusted to reflect the correct classification.

\*\*\* July 1, 2022 balance restated due to implementation of GASB Statement 96.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**3. CAPITAL, LEASE AND SUBSCRIPTION ASSETS (Continued)**

Asset Impairments – SacRT periodically reviews its capital assets for possible impairment defined as a significant, unexpected decline in service utility of a capital asset. Urban Transportation Development Corporation light rail vehicles 301-309 and 311-321 as well as related spare parts inventory were permanently impaired due to concerns about meeting safety requirements as well as ongoing reliability issues. SacRT recorded an impairment loss of \$22,254,333 in fiscal year 2023 as an operating expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**4. LEASES**

**LEASE PAYABLE**

SacRT, as lessee, has entered into various leases for intangible right-to-use office space, maintenance facilities, and parking with lease terms expiring between 2025 and 2031, with some leases containing options to renew. These leases include intangible right-to-use office space for administrative staff, an intangible right-to-use bus maintenance facility servicing Elk Grove, CA, an intangible right-to-use warehouse for facilities staff, and an intangible right-to-use office space and bus parking for SacRT GO operations. Additionally, SacRT leases an intangible right-to-use parking garage at Consumnes River College pursuant to a Lease and Joint Use Agreement for the construction of a parking structure at Cosumnes River College with Los Rios Community College District (Los Rios). SacRT and Los Rios have agreed to make joint use of the parking structure and adjacent surface parking. SacRT's lease payments are the cost of construction and have been paid in full, so there is no associated lease payable. The term of the lease, which commenced in August 2015 with the opening of the South Sacramento Corridor Phase II light rail extension, is for a period of 51 years with the option to extend for two consecutive 5-year terms.

If the lease's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points in fiscal year 2023 and BBB General Obligation Municipal Markets Data tax exempt index plus 100 basis points in fiscal year 2022 for a term similar to the lease. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new leases during the year.

As of June 30, 2023 the value of the lease liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

| Lease  | Lease Liability     | Intangible<br>Right-to-use<br>Asset | Accumulated<br>Amortization |
|--|---------------------|-------------------------------------|-----------------------------|
| Intangible right-to-use Consumnes River College parking garage | \$ -                | \$ 30,793,432                       | \$ 5,742,679                |
| Intangible right-to-use office space                           | 4,319,988           | 4,261,525                           | 467,578                     |
| Intangible right-to-use bus maintenance facility               | 2,586,333           | 3,383,402                           | 845,850                     |
| Intangible right-to-use warehouse                              | 921,252             | 1,025,713                           | 97,687                      |
| Intangible right-to-use office space and bus parking           | 127,920             | 256,609                             | 129,012                     |
| Intangible right-to-use lease buildings                        | <u>\$ 7,955,493</u> | <u>\$ 39,720,681</u>                | <u>\$ 7,282,806</u>         |



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**4. LEASES (Continued)**

The future principal and interest lease payments excluding lease/leaseback obligations as of June 30, 2023 are as follows:

| Fiscal Year Ending June 30: | Principal           | Interest            | Total               |
|-----------------------------|---------------------|---------------------|---------------------|
| 2024                        | \$ 1,030,613        | \$ 264,233          | \$ 1,294,846        |
| 2025                        | 1,077,788           | 230,385             | 1,308,173           |
| 2026                        | 1,050,526           | 195,157             | 1,245,683           |
| 2027                        | 1,108,186           | 158,183             | 1,266,369           |
| 2028                        | 1,168,352           | 118,825             | 1,287,177           |
| 2029-2031                   | 2,520,028           | 125,971             | 2,645,999           |
| Total                       | <u>\$ 7,955,493</u> | <u>\$ 1,092,754</u> | <u>\$ 9,048,247</u> |

**LEASE/LEASEBACK PAYABLES**

In December 2005, January 2006, and September 2007, SacRT entered into separate leveraged lease/leaseback transactions over a total of 50 light rail vehicles (the "Equipment"). Each transaction was structured as a head lease of the Equipment (the "Head Lease") to a special purpose trust created by an equity investor and a simultaneous sublease of the Equipment back to SacRT (the "Sublease"). Under the Sublease agreements, SacRT retains the intangible right-to-use light rail vehicles and is also responsible for their continued maintenance and insurance. Each Sublease Agreement provides SacRT with an option to purchase the intangible right-to-use Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 for an aggregate purchase price of \$97,932,090.

At the closing of the lease/leaseback transactions, the light rail vehicles had a fair value of approximately \$223,880,000 and a net book value of \$94,822,528. SacRT received an aggregate of \$223,880,000 from the equity investor in full prepayment of the Head Leases. SacRT deposited a portion of the prepaid Head Lease payments with debt payment undertakers whose repayment obligations were guaranteed by American International Group Inc. ("AIG"). SacRT also deposited a portion of the prepaid Head Lease payments with an equity payment undertaker whose obligations, which were collateralized with U.S. agency securities and guaranteed by AIG, matured at such times and in such amounts that correspond to the purchase option payment dates and amounts for the intangible right-to-use Equipment under each Sublease. Although these escrows do not represent a legal defeasance of SacRT's obligations under the Subleases, management believes that these transactions were structured in such a way that it was not probable that SacRT would need to access other monies to make Sublease payments.

In addition, SacRT purchased surety bonds from Ambac Assurance Corporation ("Ambac"), a bond insurance company, to guarantee certain termination payments that are in the nature of stipulated damages, in the event the lease/leaseback transactions were terminated, in whole or in part, prior to each Sublease expiration payment date.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**4. LEASES (Continued)**

The lease/leaseback transactions resulted in a net cash gain to SacRT of \$11,820,731, which was deferred and is being amortized over the lives of the Subleases. In the fiscal year ending June 30, 2023, SacRT amortized \$639,185 of such deferred gain. On June 30, 2023, SacRT had a balance of \$4,607,850 as deferred gain on the lease/leaseback transactions. SacRT's lease/leaseback transactions have been recorded similar to leases in that the present value of the future lease payments has been recognized on the Statement of Net Position as a Lease/Leaseback payable.

The original terms of the lease/leaseback transactions required SacRT replace (1) AIG as debt payment undertaker if its ratings were to fall below "A3" from Moody's Investor Services ("Moody's") or "A-" from Standard & Poor's Rating Group ("S&P"), (2) AIG as equity payment surety provider if its ratings were to fall below "Aa3" from Moody's or "AA-" from S&P, in each case within a specified period of time following demand by the equity investor.

In July 2011, the lease/leaseback transactions were restructured to (1) eliminate any minimum rating requirements applicable to Ambac, (2) reduce the minimum rating requirement applicable to AIG as debt payment undertaker guarantor to "Baa3" from Moody's and "BBB-" from S&P, (3) replace AIG as equity payment undertaker and guarantor with U.S. Treasury Obligations that matured by such dates and in such amounts that correspond to the purchase option dates and amounts for the Equipment under each Sublease and (4) extend the time periods for any of SacRT's remaining replacement obligations to one year. No payments under the debt payment undertaking agreements remain.

Under the terms of the July 2011 restructuring, SacRT was required to replace the U.S. Treasury Obligations if the rating fell below "Aaa" from Moody's or "AAA" from S&P. In August 2011, S&P downgraded the U.S. Treasury Obligation to "AA+". On October 16, 2013, the equity investor, SacRT and Ambac agreed to amend the minimum rating requirements for the U.S. Treasury Obligations to "Aa2" from Moody's and "AA" from S&P (the "October Amendment").

As a result of the October Amendment, SacRT is in full compliance with the terms of the lease/leaseback transactions.

In October 2022, CAF light rail vehicle 217 was removed from the September 2007 lease/leaseback transaction due to accident damage. The stipulated loss value less the value of securities held in trust of \$817,050 was paid to the Head Lessor from insurance proceeds.

As U.S. Treasury Obligations, held in trust, will mature to satisfy the purchase option for the Equipment under each Sublease, SacRT has recorded the amounts held by the trustee, US Bank, as Deposits for Lease/Leaseback Payables on the Statements of Net Position. The obligation under the lease agreements and the investments held to pay the lease/leaseback obligation are adjusted annually to reflect the change in the net present value of the related sublease and buy-out options. At June 30, 2023, the balance of this deposit was \$53,985,255.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**4. LEASES (Continued)**

As of June 30, 2023 the value of the lease/leaseback liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

| Lease/Leaseback                                     | Lease/Leaseback<br>Liability | Intangible<br>Right-to-use<br>Asset | Accumulated<br>Amortization |
|---|------------------------------|-------------------------------------|-----------------------------|
| Light Rail Vehicles                                 | \$ 53,985,255                | \$ 113,874,584                      | \$ (77,349,519)             |
| Intangible right-to use rolling stock and equipment | \$ 53,985,255                | \$ 113,874,584                      | \$ (77,349,519)             |

The following table sets forth the aggregate amounts due under the sublease agreements, which is recorded as lease/leaseback payables on the statement of net position:

| Fiscal Year Ending June 30: | Principal      | Interest      | Total         |
|-----------------------------|----------------|---------------|---------------|
| 2024                        | \$ (2,769,235) | \$ 2,769,235  | \$ -          |
| 2025                        | (2,911,303)    | 2,911,303     | -             |
| 2026                        | (3,060,659)    | 3,060,659     | -             |
| 2027                        | (3,217,679)    | 3,217,679     | -             |
| 2028                        | (3,382,755)    | 3,382,755     | -             |
| 2029-2033                   | (3,375,332)    | 17,627,967    | 14,252,635    |
| 2034-2036                   | 72,702,218     | 9,071,713     | 81,773,931    |
| Total                       | \$ 53,985,255  | \$ 42,041,311 | \$ 96,026,566 |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**5. SUBSCRIPTIONS**

SacRT has various subscription-based information technology agreements (SBITAs), the terms of which expire in various years through 2028.

If the SBITA's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new SBITAs during the year. Discount rates applied and the initial subscription liabilities are as follows:

| SBITA   | Discount Rate | Initial Subscription Liability |
|---|---------------|--------------------------------|
| Intangible right-to-use enterprise productivity applications        | 3.96%         | \$ 1,035,886                   |
| Intangible right-to-use fleet maintenance application               | 4.27%         | 494,641                        |
| Intangible right-to-use information technology security application | 3.96%         | 239,457                        |
| Intangible right-to-use fleet maintenance application               | 3.96%         | 109,061                        |
|   |               | <u>\$ 1,879,045</u>            |

As of June 30, 2023, the value of the subscription liabilities, intangible right-to-use SBITA assets and related accumulated amortization are as follows:

| SBITA  | Subscription Liability | Intangible Right-to-use SBITA Asset | Accumulated Amortization |
|--|------------------------|-------------------------------------|--------------------------|
| Intangible right-to-use enterprise productivity applications         | \$ 695,173             | \$ 1,095,171                        | \$ (132,677)             |
| Intangible right-to-use fleet maintenance applications               | 433,910                | 611,892                             | (77,784)                 |
| Intangible right-to-use information technology security applications | 81,401                 | 336,120                             | (174,986)                |
| Intangible right-to-use document management application              | -                      | 48,600                              | (8,100)                  |
| Intangible right-to-use fare management application                  | -                      | 37,873                              | (10,329)                 |
| Intangible right-to-use SBITAs                                       | <u>\$ 1,210,484</u>    | <u>\$ 2,129,656</u>                 | <u>\$ (403,876)</u>      |

The future principal and interest subscription payments as of June 30, 2023 are as follows:

| Fiscal Year Ending June 30 | Principal           | Interest         | Total               |
|----------------------------|---------------------|------------------|---------------------|
| 2024                       | \$ 562,041          | \$ 41,309        | \$ 603,350          |
| 2025                       | 414,441             | 22,128           | 436,569             |
| 2026                       | 105,880             | 8,372            | 114,252             |
| 2027                       | 62,696              | 4,855            | 67,551              |
| 2028                       | 65,426              | 2,125            | 67,551              |
|                            | <u>\$ 1,210,484</u> | <u>\$ 78,789</u> | <u>\$ 1,289,273</u> |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**6. DIRECT BORROWINGS**

**LINE OF CREDIT**

For the purpose of short-term borrowing needs, SacRT has an unsecured line of credit (LOC) agreement with U.S. Bank National Association. The purpose of the line of credit is to meet SacRT's liquidity needs stemming from the timing of cash receipts from Federal and State awards. The line is subject to a \$20,000,000 limit and matured on September 30, 2023. The interest rate for the LOC with U.S. Bank for the used portion of the LOC was at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion was a fixed 0.40% for the fiscal year ending June 30, 2023.

The LOC was subsequently extended to September 30, 2024; see subsequent event note 14 for additional information.

As of June 30, 2023, SacRT reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by U.S. Bank.

The LOC direct borrowing contains (1) a provision that in event insolvency the LOC is automatically terminated and (2) a provision that in an event of default, the LOC can be immediately terminated or the timing of repayment of outstanding amounts become immediately due if SacRT is unable to make payment; SacRT's farebox recovery ratio falls below the California Transportation Development Act requirements; SacRT does not maintain a net operating ratio for the most recently ended four consecutive fiscal quarters equal to at least 0.95:1; SacRT does not maintain a fixed charge coverage ratio for the most recently ended fiscal year equal to at least 1.15:1; SacRT does not maintain unrestricted liquidity in an amount at least equal to \$9,000,000, consisting of at least \$4,500,000 in cash on hand and the balance of the \$9,000,000 in cash and/or LOC availability; or any Revenue Bond rating is withdrawn or suspended or fall below "BBB" by S&P, "Baa2" by Moody's or "BBB" by Finch.

SacRT's LOC contains a subjective acceleration clause that allows the lender to immediately terminate the LOC or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Short-term debt activity for the fiscal year ended June 30, 2023, was as follows:

|                   | <u>7/1/2022</u> |    | <u>Draws</u> |    | <u>Repayments</u> |    | <u>6/30/2023</u> |
|-------------------|-----------------|----|--------------|----|-------------------|----|------------------|
| Line of Credit \$ | -               | \$ | -            | \$ | -                 | \$ | -                |

The unused LOC balance at June 30, 2023 was \$20,000,000.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**7. LONG-TERM DEBT**

**REVENUE REFUNDING BONDS (Refunding Bonds), SERIES 2021A**

In August 2021, SacRT issued Refunding Bonds totaling \$35,475,000 with interest rates ranging from 4% to 5%. The Refunding Bonds were issued to (a) current refund and defease all of the outstanding Sacramento Regional Transit District Farebox Revenue Bonds, Series 2012, (b) fund the Bond Reserve Fund and (c) pay the costs of issuance of the Series 2021A Refunding Bonds. The Refunding Bonds are a special limited obligation of SacRT and are secured solely by a pledge of Revenues, consisting of certain fare revenues collected by SacRT in connection with the operation of its transit system, the "Local Transportation Fund" revenues (subject to the parity lien thereon granted to the Line of Credit Bank) received by SacRT pursuant to the California Transportation Development Act of 1971, as amended, which consist of a portion of the sales tax revenues generated in Sacramento County from the one-fourth of 1% California statewide sales tax, and certain other moneys. Revenues are pledged thorough 2042.

Annual principal and interest payments on the bonds are expected to require approximately 2% of farebox and Local Transportation Fund revenue. The total principal and interest remaining to be paid on the bonds is \$55,377,000. Principal and interest paid for the current year and total farebox and Local Transportation Fund revenues were \$1,542,900 and \$105,700,666, respectively.

The Series 2021A Bonds maturing on or before March 1, 2031, are not subject to redemption prior to maturity. The Series 2021A Bonds maturing on and after March 1, 2032 are subject to redemption prior to their respective stated maturities, at the option of SacRT, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as SacRT specifies and within a maturity by lot), on or after March, 1 2031, at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

As of June 30, 2023, debt service requirements to maturity are as follows:

| Fiscal Year Ending June 30: | Principal            | Interest             | Total                |
|-----------------------------|----------------------|----------------------|----------------------|
| 2024                        | \$ -                 | \$ 1,542,900         | \$ 1,542,900         |
| 2025                        | -                    | 1,542,900            | 1,542,900            |
| 2026                        | -                    | 1,542,900            | 1,542,900            |
| 2027                        | -                    | 1,542,900            | 1,542,900            |
| 2028                        | -                    | 1,542,900            | 1,542,900            |
| 2029-2033                   | 10,000,000           | 6,798,000            | 16,798,000           |
| 2034-2038                   | 13,025,000           | 4,119,700            | 17,144,700           |
| 2039-2042                   | 12,450,000           | 1,269,800            | 13,719,800           |
| Total                       | <u>\$ 35,475,000</u> | <u>\$ 19,902,000</u> | <u>\$ 55,377,000</u> |

As of June 30, 2023, the unamortized premium associated with the Refunding Bonds was \$8,331,597. The amortization of the premium for fiscal year ended June 30, 2023, was \$446,336 and was amortized to interest expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**7. LONG-TERM DEBT (Continued)**

The debt indenture contains financial covenants including requirements for punctual payments to sinking funds, minimum amounts to be maintained in sinking funds, an annual balanced budget and submission of audited financial statements to the trustee within 210 days after the end of each fiscal year. As of June 30, 2023, SacRT was in compliance with all financial covenants of the Refunding Bonds.

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

|                                 | Beginning<br>Balance  | Additions            | Deductions             | Ending Balance        | Due within<br>One<br>Year |
|---------------------------------|-----------------------|----------------------|------------------------|-----------------------|---------------------------|
| Other Debt                      |                       |                      |                        |                       |                           |
| 2021A Refunding Bonds           | \$ 35,475,000         | \$ -                 | \$ -                   | \$ 35,475,000         | \$ -                      |
| Issuance Premium                | 8,777,933             | -                    | (446,336)              | 8,331,597             | -                         |
| Total Bonds                     | <u>44,252,933</u>     | <u>-</u>             | <u>(446,336)</u>       | <u>43,806,597</u>     | <u>-</u>                  |
| Other Long-Term Liabilities     |                       |                      |                        |                       |                           |
| Compensated Absences            | 10,988,367            | 10,298,284           | (9,612,953)            | 11,673,698            | 10,213,596                |
| Advances from Other Governments | 19,467,235            | 8,570,444            | (7,713,193)            | 20,324,486            | 3,662,347                 |
| Claims Payable                  | 21,315,980            | 16,375,174           | (8,908,489)            | 28,782,665            | 9,897,530                 |
| Leases Payable                  | 3,120,268             | 5,609,458            | (774,233)              | 7,955,493             | 1,030,613                 |
| Lease/Leaseback Payable         | 52,320,775            | 2,634,101            | (969,621)              | 53,985,255            | -                         |
| Subscriptions Payable           | 239,457               | 1,639,588            | (668,561)              | 1,210,484             | 562,041                   |
| Long-Term Liabilities           | <u>\$ 151,705,015</u> | <u>\$ 45,127,049</u> | <u>\$ (29,093,386)</u> | <u>\$ 167,738,678</u> | <u>\$ 25,366,127</u>      |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**8. FUNDING SOURCES**

SacRT is dependent upon funds from several sources to meet its operating, maintenance, and capital requirements. The receipt of such funds is controlled by statutes, the provisions of various grant contracts, regulatory approvals, and, in some instances, is dependent on the availability of grantor and local matching funds.

**FEDERAL GRANTS**

Federal grant funding is obtained from the Federal Transit Administration (FTA) and Department of Homeland Security. Federal funding for the fiscal year ended June 30, 2023, is comprised of the following:

|  |                      |
|--|----------------------|
| Operating assistance grants:               |                      |
| FTA Section 5307                           | \$ 57,884,208        |
| FTA Section 5304                           | <u>101,623</u>       |
| Total Federal operating assistance grants  | <u>57,985,831</u>    |
| Capital grants:                            |                      |
| FTA Section 5307                           | 25,407,281           |
| FTA Section 5339                           | 3,655,647            |
| FTA Section 5337                           | 3,115,695            |
| FTA Section 5309                           | 2,727,367            |
| FTA Section 5304                           | <u>70,746</u>        |
| Total Federal capital grants               | <u>34,976,736</u>    |
| Total Federal operating and capital grants | <u>\$ 92,962,567</u> |

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of their economic lives or not used for public transit.

Under provisions of Section 5307 of the Urban Mass Transportation Act of 1964, as amended, Federal resources are made available for planning, capital, and operating assistance, subject to certain limitations. Funds are apportioned annually based on a statutory formula and are available for a period of five years following the close of the fiscal year for which they were apportioned. Any unobligated funds at the end of such period revert to the federal government. In general, funds received for operations must, at a minimum, be matched 50% with local contributions and funds for capital projects, including operating activities defined as capital projects, must be matched 20% with local contributions.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**8. FUNDING SOURCES (Continued)**

**STATE AND LOCAL GRANTS**

SacRT qualifies for and receives distributions from Local Transportation Funds, State Transit Assistance and Senate Bill 1 State of Good Repair under claims approved by the Sacramento Area Council of Governments (SACOG) in accordance with provisions of the Transportation Development Act (TDA).

State and local grant funding for the fiscal year ended June 30, 2023, is comprised of the following:

|   |                       |
|---|-----------------------|
| Operating assistance grants:                      |                       |
| Local Transportation Funds                        | \$ 89,086,134         |
| Measure A Sales Tax Revenue                       | 66,583,370            |
| Low Carbon Transit Operations Program             | 3,385,547             |
| Total state and local operating assistance grants | <u>159,055,051</u>    |
| Capital grants:                                   |                       |
| State Transit Assistance                          | 26,101,770            |
| Proposition 1A                                    | 13,084,451            |
| Transit and Intercity Rail Program                | 10,658,131            |
| Senate Bill 1 - State of Good Repair              | 4,867,845             |
| California Department of Transportation           | 3,006,717             |
| Developer Fees                                    | 2,319,559             |
| Proposition 1B                                    | 1,593,886             |
| Traffic Congestion Relief Program                 | 1,405,009             |
| Electrify America LLC                             | 870,572               |
| UC Davis Health                                   | 748,381               |
| Sacramento Transportation Authority               | 255,391               |
| Other   | 21,525                |
| Total state and local capital grants              | <u>64,933,237</u>     |
| Total state and local grants                      | <u>\$ 223,988,288</u> |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**8. FUNDING SOURCES (Continued)**

**ADVANCES FROM OTHER GOVERNMENTS**

Advances from other governments at June 30, 2023, consisted of the following:

|                                       |                      |
|---------------------------------------|----------------------|
| Developer Fees                        | \$ 15,168,088        |
| Low Carbon Operations Transit Program | 3,817,249            |
| Sacramento County                     | 1,208,113            |
| California Labor Federation           | 77,000               |
| Other                                 | 54,036               |
| Total advances from other governments | <u>\$ 20,324,486</u> |

The advances from other governments is restricted cash from grants and fees from area developers designated specifically for transit improvements, but not yet spent; utilized principally for capital projects. Management makes an estimate of the amount that will be recognized in the next fiscal year and classifies this amount as current.

**PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4.000 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA revenues are included as part of Proposition 1B state and local capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position. PTMISEA activity for the fiscal year ended June 30, 2023, was as follows:

|                                  |              |
|----------------------------------|--------------|
| Revenues                         | \$ 1,930,917 |
| Expenditures:                    |              |
| Connect Card Firewall Refresh    | (750,688)    |
| Light Rail Crossing Enhancements | (711,540)    |
| Purchase Wheel Truing Machine    | (359,759)    |
| Bus Stop Improvements            | (108,930)    |
| Net Activity                     | <u>\$ -</u>  |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. FARE RECOVERY RATIO**

SacRT is required to maintain a fare revenue-to-operating expense ratio of 23% in accordance with the Transportation Development Act. To demonstrate compliance with this Fare Recovery Ratio, SacRT has supplemented, per California Public Utilities Code Section 99268.19, a portion of its Local Measure A funds in order to meet the required ratio. The fare revenue-to-operating expense ratio for SacRT is calculated as follows for the fiscal year ended June 30, 2023:

|   |    |                     |
|---|----|---------------------|
| Fare Revenues                             | \$ | 16,614,532          |
| Local Fund Supplementation<br>(Measure A) |    | 43,743,381          |
| Total Revenues                            | \$ | <u>60,357,913</u>   |
| Operating Expenses                        | \$ | 309,566,217         |
| Less Allowable Exclusions:                |    |                     |
| Depreciation/Amortization                 |    | <u>(47,140,507)</u> |
| Net Operating Expenses                    | \$ | <u>262,425,710</u>  |
| Fare Revenue Ratio                        |    | <u>23.00%</u>       |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. PENSION PLANS**

**DESCRIPTION OF PLANS**

SacRT contributes to three single employer defined benefit pension plans:

- The Retirement Plan for Sacramento Regional Transit District employees who are members of ATU, Local 256 (ATU Plan),
- The Retirement Plan between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District (IBEW Plan), and
- The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan), which covers three different groups:
  - American Federation of State, County and Municipal Employees (AFSCME), which is further broken down into the following groups for bargaining and contract purposes:
    - AFSCME-Technical
    - AFSCME-Supervisors
  - Operating Engineers Local 3 which remain under the Administrative Employees' Association (AEA), and
  - Management and Confidential Employees Group (MCEG)

The plans are administered by SacRT under the direction of five separate Retirement Boards of Directors, each representing one of the aforementioned bargaining and employee groups of ATU, IBEW, AEA, AFSCME and MCEG. SacRT's administrative functions include: payments to retirees, accounting, financial management, Plan document management, correspondence with retirees, pension calculations, and other administrative tasks. The Retirement Boards are responsible for investment decisions, approving the annual actuarial valuation and annual contributions, approving the annual audited financial statements, approving retirements, and other tasks. All expenses incurred in the administration of the plans are paid by the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. PENSION PLANS (Continued)**

Each Retirement Board is comprised of equal representation; SacRT Management by a member from SacRT's Board of Directors and General Manager, and two members from the represented group. Each Board member serves a four-year term, with no limit on the amount of terms that can be served. The ATU, IBEW and Salaried Plans issue a publicly available combined financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, P.O. Box 2110, Sacramento, CA 95812, or online at [www.sacrt.com](http://www.sacrt.com).

**Change in Bargaining Group** - Changes in bargaining groups occur when an active employee of any Plan accepts a new position with a bargaining unit that participates in another Plan. When a change in bargaining group occurs, contributions made on behalf of that employee must be assessed to determine if the assets need to be moved to the new Plan. Amounts related to a change in bargaining group are recorded upon final verification and approval of calculated amounts by SacRT and the related bargaining group's retirement board. During the year ended June 30, 2023, assets were moved from the ATU Plan to the Salaried Plan in the amount of \$248,765. The effects of the change can be seen on the Statement of Changes in Fiduciary Net Position as Change in Bargaining Group within the additions and deductions categories.

**Plan Tier Definition** – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014, the ATU, IBEW, and AFSCME-Technical unions were bound by a current MOU. Whereas the AEA, MCEG, and AFSCME-Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRA was required to be implemented for these groups.

- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period from January 1, 2015, to December 31, 2015
- IBEW – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015
- AEA, MCEG, AFSCME-Supervisors, and AFSCME-Technical – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

Tier 1 and Tier 3 are closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

**Plan Termination** – If a Plan is terminated with the consent of SacRT and the affected bargaining unit(s), the Plan’s net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

**BENEFITS PROVIDED**

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Boards based on an actuarial basis. The authority under which benefit provisions are established and amended rests with SacRT's Board of Directors as a result of labor negotiations.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

The benefits for Tier 1, Tier 2, and Tier 3 members begin at retirement and continue for the participant’s life with no cost of living adjustment. The participant can elect to receive the normal form of payment (single life annuity) or an optional form of payment with continuing benefits to a beneficiary after death.

**Disability Benefits** – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with SacRT, cannot be transferred to another job with SacRT, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant’s life unless the participant elects to receive an optional form of payment with continuing benefits to a beneficiary after death.

**Pre-Retirement Death Benefit** – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective plan documents. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

ATU, IBEW and Salaried Plan membership for Tier 1, Tier 2 and Tier 3 on June 30, 2023, consisted of:

|  |                     |
|--|---------------------|
| Retirees and beneficiaries currently receiving benefits        | 1,040               |
| Terminated members entitled to but not yet collecting benefits | 94                  |
| Current active members   | 1,035               |
|  | <u>2,169</u>        |
|  | <u><u>2,169</u></u> |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

Table 1 below presents a summary of the retirement benefits for Tier 1 and Tier 3 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans as of the fiscal year ended June 30, 2023.

**Table 1**

| <b>TIER 1 &amp; TIER 3</b>   | <b>ATU Plan</b>  | <b>IBEW Plan</b> | <b>Salaries Plan</b>                                 |  |            |             |
|--|--|------------------|--|--|------------|-------------|
| <b>Employee Union/<br/>Groups</b>                                      | <b>ATU</b>   | <b>IBEW</b>      | <b>AFSCME -<br/>Technical</b>                        | <b>AFSCME -<br/>Supervisors</b>                      | <b>AEA</b> | <b>MCEG</b> |
| Plan Terms   | MOU  | MOU              | MOU  | MOU  | MOU        | MOU         |
| Vesting Period:<br>Years of Service -<br>% Vested                      | 10 - 100%  | 5 - 100%         | 5 - 20%<br>6 - 40%<br>7 - 60%<br>8 - 80%<br>9 - 100% | 5 - 20%<br>6 - 40%<br>7 - 60%<br>8 - 80%<br>9 - 100% | 5 - 100%   | 5 - 100%    |
| Wages used in<br>pension<br>calculation                                | Ranges from 48 to 60 months depending on date of separation. See Plan documents for specific provisions. |                  |  |  |            |             |
| Vacation and sick<br>leave sell back<br>towards pension<br>calculation | Allowable  | Allowable        | Allowable  | Allowable  | Allowable  | Allowable   |
| Disability<br>Retirement<br>Multiplier                                 | Equal to applicable retirement age multiplier or 2% if age and service are not met.<br>Vesting required  |                  |  |  |            |             |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans effective as of the fiscal year ended June 30, 2023.

**Table 2**

| TIER 2  | ATU Plan  | IBEW Plan     | Salaried Plan      |                      |               |               |
|---|---|---------------|--------------------|----------------------|---------------|---------------|
| Employee Unions/Groups  | ATU   | IBEW          | AFSCME - Technical | AFSCME - Supervisors | AEA           | MCEG          |
| Plan Terms  | PEPRA   | PEPRA         | PEPRA              | PEPRA                | PEPRA         | PEPRA         |
| Vesting Period:<br>Years of Service<br>- % Vested             | 5 - 100%  | 5 - 100%      | 5 - 100%           | 5 - 100%             | 5 - 100%      | 5 - 100%      |
| Wages used in pension calculation                             | Highest consecutive 48 months   |               |                    |                      |               |               |
| Vacation and sick leave sell back towards pension calculation | Not Allowable   | Not Allowable | Not Allowable      | Not Allowable        | Not Allowable | Not Allowable |
| Disability Retirement Multiplier                              | If allowable, equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required. |               |                    |                      |               |               |

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service for Tier 1 and Tier 3. Tier 2 retirement ages and multipliers are mandated by PEPRA, ranging from 1% at age 52 to 2.5% at age 67 and older. There were no changes to benefits during the year ended June 30, 2023.

**Contributions**

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method and are approved by the Retirement Boards annually. During the fiscal year ended June 30, 2023, SacRT made contributions to the ATU, IBEW, and Salaried Plan of \$10,500,021, \$4,495,272, and \$11,561,711 respectively.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

Table 3 presents the employer and employee contribution rates and for Tier 1 and Tier 3 employees as of June 30, 2023:

**Table 3**

| <u>Employee Group</u>   | <b>Tier 1</b>   |                 | <b>Tier 3</b>   |                 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
|                         | <u>Employer</u> | <u>Employee</u> | <u>Employer</u> | <u>Employee</u> |
| ATU                     | 30.23%          | -               | 28.45%          | 3.00%           |
| IBEW                    | 34.11%          | -               | -               | -               |
| AEA, MCEG and<br>AFSCME | 43.28%          | -               | -               | -               |

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA. Table 4 presents the employer and employee contribution rates for Tier 2 employees as of June 30, 2023:

**Table 4**

| <u>Employee Group</u>   | <b>Tier 2</b>   |                 |
|-------------------------|-----------------|-----------------|
|                         | <u>Employer</u> | <u>Employee</u> |
| ATU                     | 22.39%          | 7.25%           |
| IBEW                    | 25.68%          | 7.00%           |
| AEA, MCEG and<br>AFSCME | 30.30%          | 6.50%           |

The employee contributions to the ATU, IBEW, and Salaried Plan for the fiscal year ended June 30, 2023, were \$1,429,978, \$585,325, and \$858,224, respectively.

The employee contribution rates calculated in compliance with PEPRA, for June 30, 2023, were actuarially determined as part of the valuations dated July 1, 2021. Employer contribution rates are calculated and change annually for all tiers. The employee contribution rates for Tier 2 employees are also calculated annually but only change if the total normal cost changes by more than 1 percent of payroll.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

**NET PENSION LIABILITY**

SacRT's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, and projected to June 30, 2022, for the ATU, IBEW and Salaried Plans. Update procedures were used to roll forward the total pension liability to the measurement date.

**Actuarial Assumptions**

The total pension liability measured as of June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement for the ATU, IBEW, and Salaried Plans.

|                           |                                  |
|---------------------------|----------------------------------|
| Inflation                 | 2.50%                            |
| Salary Increases          | 2.75%, plus merit component      |
| Investment Rate of Return | 6.75%, net of investment expense |
| Discount Rate             | 6.75%                            |

Mortality rates were based on the Cheiron ATU Healthy Annuitant Mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016 for the ATU and IBEW Plans, and the Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted by 105% for females for the Salaried Plan.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

For the ATU, IBEW, and Salaried Plans, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

| Asset Class                           | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------------------------------|-------------------|--|
| Domestic Equity Large Cap             | 32.00%            | 8.60%                                  |
| Domestic Equity Small Cap             | 8.00%             | 9.60%                                  |
| International Equity Developed        | 19.00%            | 9.00%                                  |
| International Equity Emerging Markets | 6.00%             | 10.45%                                 |
| Domestic Fixed Income                 | 25.00%            | 4.25%                                  |
| Real Estate                           | 10.00%            | 6.60%                                  |
| Total                                 | 100.00%           |  |

**Discount rate** – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that SacRT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

**CHANGES IN THE NET PENSION LIABILITY**

Table 5 below presents the changes in the net pension liability for the ATU Plan as of June 30, 2023:

**Table 5**

|  | <b>ATU Plan</b>                            |  |  |
|--|--|--|--|
|  | <b>Increase (Decreases)</b>                |  |  |
|  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances at 7/1/2022</b>                                      | \$ 206,737,070                             | \$ 171,544,565                                 | \$ 35,192,505                                  |
| <b>Changes for the year:</b>                                     |  |  |  |
| Service cost   | 5,953,419                                  | -  | 5,953,419                                      |
| Interest   | 13,712,873                                 | -  | 13,712,873                                     |
| Differences between expected<br>and actual experience            | (285,600)                                  | -  | (285,600)                                      |
| Changes of assumptions   | -  | -  | -  |
| Contributions - employer   | -  | 10,417,845                                     | (10,417,845)                                   |
| Contributions - member   | -  | 1,191,796                                      | (1,191,796)                                    |
| Change in bargaining group                                       | (515,525)                                  | (667,990)                                      | 152,465  |
| Net investment income  | -  | (12,345,778)                                   | 12,345,778                                     |
| Benefit payments, including<br>refunds of employee contributions | (13,239,168)                               | (13,239,168)                                   | -  |
| Administrative expense   | -  | (269,615)                                      | 269,615  |
| <b>Net Changes</b>   | <u>5,625,999</u>                           | <u>(14,912,910)</u>                            | <u>20,538,909</u>                              |
| <b>Balances at 6/30/2023</b>                                     | <u>\$ 212,363,069</u>                      | <u>\$ 156,631,655</u>                          | <u>\$ 55,731,414</u>                           |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

Table 6 below presents the changes in the net pension liability for the IBEW Plan as of June 30, 2023:

**Table 6**

|  | <b>IBEW Plan</b>                           |  |  |
|--|--|--|--|
|  | <b>Increase (Decreases)</b>                |  |  |
|  | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances at 7/1/2022</b>                                      | \$ 94,522,042                              | \$ 75,917,397                                  | \$ 18,604,645                                  |
| <b>Changes for the year:</b>                                     |  |  |  |
| Service cost   | 2,184,369                                  | -  | 2,184,369                                      |
| Interest   | 6,284,031                                  | -  | 6,284,031                                      |
| Differences between expected<br>and actual experience            | (291,610)                                  | -  | (291,610)                                      |
| Changes of assumptions   | -  | -  | -  |
| Contributions - employer   | -  | 4,163,949                                      | (4,163,949)                                    |
| Contributions - member   | -  | 488,243  | (488,243)                                      |
| Net investment income  | -  | (5,444,825)                                    | 5,444,825                                      |
| Benefit payments, including<br>refunds of employee contributions | (5,082,251)                                | (5,082,251)                                    | -  |
| Administrative expense   | -  | (234,081)                                      | 234,081  |
| <b>Net Changes</b>   | <u>3,094,539</u>                           | <u>(6,108,965)</u>                             | <u>9,203,504</u>                               |
| <b>Balances at 6/30/2023</b>                                     | <u>\$ 97,616,581</u>                       | <u>\$ 69,808,432</u>                           | <u>\$ 27,808,149</u>                           |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

Table 7 below presents the changes in net pension liability for the Salaried Plan as of June 30, 2023:

**Table 7**

|  | <b>Salaried Plan<br/>Increase (Decrease)</b> |  |  |
|--|--|--|--|
|  | <b>Total Pension<br/>Liability<br/>(a)</b>   | <b>Plan<br/>Fiduciary Net<br/>Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances at 7/1/2022</b>                                      | \$ 175,865,307                               | \$ 129,366,721                                     | \$ 46,498,586                                  |
| <b>Changes for the year:</b>                                     |  |  |  |
| Service Cost   | 4,836,477                                    | -  | 4,836,477                                      |
| Interest   | 11,663,422                                   | -  | 11,663,422                                     |
| Differences between expected<br>and actual experience            | 311,027                                      | -  | 311,027  |
| Changes of assumptions   | -  | -  | -  |
| Contributions - employer   | -  | 10,993,228   | (10,993,228)                                   |
| Contributions - member   | -  | 705,053  | (705,053)                                      |
| Change in bargaining group                                       | 836,523                                      | 667,990  | 168,533  |
| Net investment income  | -  | (9,801,602)  | 9,801,602                                      |
| Benefit payments, including<br>refunds of employee contributions | (11,086,271)                                 | (11,086,271)                                       | -  |
| Administrative expense   | -  | (262,018)  | 262,018  |
| <b>Net Changes</b>   | <u>6,561,178</u>                             | <u>(8,783,620)</u>                                 | <u>15,344,798</u>                              |
| <b>Balances at 6/30/2023</b>                                     | <u>\$ 182,426,485</u>                        | <u>\$ 120,583,101</u>                              | <u>\$ 61,843,384</u>                           |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. PENSION PLANS (Continued)**

Table 8 below presents the changes in net pension liability combined for the ATU, IBEW and Salaried Plans as of June 30, 2023:

**Table 8**

|  | <b>ATU, IBEW and Salaried Plan<br/>Increase (Decrease)</b> |  |  |
|--|--|--|--|
|  | <b>Total<br/>Pension<br/>Liability<br/>(a)</b>             | <b>Plan<br/>Fiduciary Net<br/>Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances at 7/1/2022</b>                                      | \$ 477,124,419   | \$ 376,828,683                                     | 100,295,736                                    |
| <b>Changes for the year:</b>                                     |  |  |  |
| Service Cost   | 12,974,265   | -  | 12,974,265                                     |
| Interest   | 31,660,326   | -  | 31,660,326                                     |
| Differences between expected<br>and actual experience            | (266,183)  | -  | (266,183)                                      |
| Changes of assumptions   | -  | -  | -  |
| Contributions - employer   | -  | 25,575,022   | (25,575,022)                                   |
| Contributions - member   | -  | 2,385,092  | (2,385,092)                                    |
| Change in bargaining group                                       | 320,998  | -  | 320,998  |
| Net investment income  | -  | (27,592,205)                                       | 27,592,205                                     |
| Benefit payments, including<br>refunds of employee contributions | (29,407,690)   | (29,407,690)                                       | -  |
| Administrative expense   | -  | (765,714)  | 765,714  |
| <b>Net Changes</b>   | <u>15,281,716</u>  | <u>(29,805,495)</u>                                | <u>45,087,211</u>                              |
| <b>Balances at 6/30/2023</b>                                     | <u>\$ 492,406,135</u>                                      | <u>\$ 347,023,188</u>                              | <u>\$ 145,382,947</u>                          |

There are no special funding situations for the ATU, IBEW or Salaried Plans for the fiscal year ending June 30, 2023.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

**Sensitivity of the net pension liability to changes in the discount rate** – The following presents the net pension liability of SacRT, calculated using the discount rate of 6.75%, as well as what SacRT's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

|                                | <b>1%<br/>Decrease<br/>5.75%</b> | <b>Current<br/>Discount Rate<br/>6.75%</b> | <b>1%<br/>Increase<br/>7.75%</b> |
|--------------------------------|----------------------------------|--|----------------------------------|
| SacRT's net pension liability: |                                  |  |                                  |
| ATU Plan                       | \$ 77,782,298                    | \$ 55,731,414                              | \$ 36,926,704                    |
| IBEW Plan                      | 38,459,604                       | 27,808,149                                 | 18,752,301                       |
| Salaried Plan                  | 81,973,860                       | 61,843,384                                 | 44,718,100                       |
| Total                          | <u>\$ 198,215,762</u>            | <u>\$ 145,382,947</u>                      | <u>\$ 100,397,105</u>            |

**Pension plan fiduciary net position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plans for the Sacramento Regional Transit District Employees financial report. The Plan assets, for investing purposes, have been commingled to reduce investment expenses.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**10. PENSION PLANS (Continued)**

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

The total pension expense recognized by SacRT for the ATU, IBEW and Salaried Plans for the fiscal year ended June 30, 2023, was \$11,645,452, \$5,542,846 and \$12,029,417 respectively, totaling \$29,217,715. At June 30, 2023, SacRT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Net difference between projected and actual earnings on pension plan investments:       |   |  |
| ATU Plan  | \$ 6,152,089                              | \$ -                                     |
| IBEW Plan   | 2,595,719                                 | -  |
| Salaried Plan   | 4,305,615                                 | -  |
| Differences between expected and actual experience:                                     |   |  |
| ATU Plan  | 918,878                                   | (367,184)                                |
| IBEW Plan   | 437,933                                   | (332,832)                                |
| Salaried Plan   | 1,831,413                                 | -  |
| Changes of assumptions:   |   |  |
| ATU Plan  | 6,414,033                                 | (34,588)                                 |
| IBEW Plan   | 4,741,250                                 | (19,611)                                 |
| Salaried Plan   | 4,483,678                                 | -  |
| Total of deferred outflows and inflows of resources before employer contributions       | 31,880,608                                | (754,215)                                |
| Employer contributions subsequent to the measurement date of the net pension liability: |   |  |
| ATU Plan  | 10,500,021                                | -  |
| IBEW Plan   | 4,495,272                                 | -  |
| Salaried Plan   | 11,561,711                                | -  |
| Total employer contributions  | 26,557,004                                | -  |
| Total deferred outflows and inflows of resources  | \$ 58,437,612                             | \$ (754,215)                             |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. PENSION PLANS (Continued)**

Deferred outflows of resources resulting from contributions made subsequent to the measurement date in the amount of \$26,557,004 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Measurement<br>Year ended June 30: | <u>ATU Plan</u>      | <u>IBEW Plan</u>    | <u>Salaried Plan</u> | <u>Total</u>         |
|------------------------------------|----------------------|---------------------|----------------------|----------------------|
| 2023                               | \$ 3,388,454         | \$ 1,815,920        | \$ 4,175,809         | \$ 9,380,183         |
| 2024                               | 3,218,308            | 1,606,774           | 3,287,428            | 8,112,510            |
| 2025                               | 1,761,187            | 788,218             | (551,626)            | 1,997,779            |
| 2026                               | 4,715,279            | 3,211,547           | 3,709,095            | 11,635,921           |
| Total                              | <u>\$ 13,083,228</u> | <u>\$ 7,422,459</u> | <u>\$ 10,620,706</u> | <u>\$ 31,126,393</u> |

**PAYABLE TO THE PENSION PLAN**

At June 30, 2023, there is no payable to the Plans as SacRT paid all contributions required for the fiscal year ended June 30, 2023.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
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**11. OTHER POST-EMPLOYMENT BENEFITS**

**GENERAL INFORMATION ABOUT THE OPEB PLAN**

**Plan Description** - SacRT's defined benefit OPEB plan provides OPEB under provisions of SacRT's Personnel Policy Manual, Collective Bargaining Agreements and certain California Public Employees' Retirement System (CalPERS) requirements for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT established an IRC Section 115 irrevocable trust under the California Employers' Retiree Benefit Trust Program (CERBT) for the purpose of (i) receiving employer contributions to prefund OPEB for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for OPEB in accordance with the terms of SacRT's plan. The funds in the CERBT are administered by CalPERS as an agent multiple-employer plan. Benefit provisions are established and may be amended by SacRT labor agreements which are approved by the Board of Directors.

**Benefits Provided** - SacRT provides medical care benefits for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT also provides dental care and life insurance benefits to active as well as to retired members hired before 2015 of the OE3, AFSCME, and MCEG. The benefits are mandated by contracted agreements between SacRT and the respective employee groups and may be amended at any time. Employees and their dependents may become eligible for such benefits if the employees reach normal retirement age while working for SacRT. Medical, dental, and life insurance benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year.

SacRT contributes between the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) and 90% the cost for retired members of OE3, AFSCME, and MCEG hired after 2014, 90% or 92% for plan members hired after 1993 and before 2014, and 100% for plan members hired prior to 1994. SacRT is required to contribute the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) for retired members of the ATU and IBEW.

**Employees Covered by Benefit Terms** - At June 30, 2023 the following employees were covered by the benefit terms:

|  |       |
|--|-------|
| Retirees and beneficiaries currently receiving benefits        | 708   |
| Terminated members entitled to but not yet collecting benefits | 97    |
| Current active members   | 1,088 |
|  | 1,893 |
|  | 1,893 |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Contributions** - The obligation of SacRT to contribute to the plan is established by the Board of Directors. SacRT currently prefunds the OPEB plan at 100% of the actuarially determined contribution. For the year ended June 30, 2023, SacRT's contribution was \$3,066,821. Employees are not required to contribute to the plan.

**NET OPEB LIABILITY**

SacRT's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement.

|                             |   |
|-----------------------------|---|
| General Inflation Rate      | 2.3 percent   |
| Salary increases            | 3.0 percent   |
| Investment rate of return   | 6.3 percent, net of OPEB plan investment expense, including inflation   |
| Healthcare cost trend rates | <i>Medical: Society of Actuaries Long Term Healthcare Cost Trends Model</i><br>using baseline assumptions<br>Dental and required PEMHCA minimum employer contribution:<br>4.0% per year |

Mortality rates were based on the Society of Actuaries' RP-2014 Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 130% for females and unadjusted for males for salaried and the RP-2014 Blue Collar Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 115% for males and 130% for females for union. The mortality tables were projected generationally using scale MP-2021.

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the July 1, 2015 valuations of the retirement plans covering SacRT employees and are based on the 2016 actuarial experience study of SacRT's retirement plans using data from 2011 to 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

| Asset Class                             | Target Allocation | Long-Term Expected<br>Real Rate of Return* |
|---|-------------------|--|
| Global Equity                           | 49%               | 6.8%                                       |
| Fixed Income                            | 23%               | 3.7%                                       |
| REITs                                   | 20%               | 6.0%                                       |
| Treasury Inflation Protected Securities | 5%                | 2.8%                                       |
| Commodities                             | 3%                | 3.4%                                       |
|   | 100%              |  |

\* Developed by the CalPERS Investment Office for financial reporting after September 30, 2022.

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.3 percent. The projection of cash flows used to determine the discount rate assumed that SacRT contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CHANGES IN THE NET OPEB LIABILITY**

|  | <b>Increase (Decreases)</b>             |  |   |
|--|---|--|---|
|  | <b>Total OPEB<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net OPEB<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances at 7/1/2022</b>                        | \$ 48,107,336                           | \$ 42,445,606                                  | \$ 5,661,730                                |
| <b>Changes for the year:</b>                       |   |  |   |
| Service cost                                       | 1,645,108                               | -  | 1,645,108                                   |
| Interest   | 3,268,195                               | -  | 3,268,195                                   |
| Differences between expected and actual experience | (8,083)                                 | -  | (8,083)                                     |
| Changes of assumptions                             | 2,584,382                               | -  | 2,584,382                                   |
| Contributions - employer                           | -                                       | 3,294,153                                      | (3,294,153)                                 |
| Net investment income                              | -                                       | (5,718,188)                                    | 5,718,188                                   |
| Benefit payments                                   | (1,923,778)                             | (1,923,778)                                    | -   |
| Administrative expense                             | (745,754)                               | (745,754)                                      | -   |
| Other changes                                      | -                                       | (20,663)                                       | 20,663                                      |
| <b>Net Changes</b>                                 | <b>4,820,070</b>                        | <b>(5,114,230)</b>                             | <b>9,934,300</b>                            |
| <b>Balances at 6/30/2023</b>                       | <b>\$ 52,927,406</b>                    | <b>\$ 37,331,376</b>                           | <b>\$ 15,596,030</b>                        |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.3 percent) or 1-percentage-point higher (7.3 percent) than the current discount rate:

|                    | 1% Decrease   | Discount Rate | 1% Increase   |
|--------------------|---------------|---------------|---------------|
|                    | 5.3%          | 6.3%          | 7.3%          |
| Net OPEB liability | \$ 22,149,715 | \$ 15,596,030 | \$ 10,117,239 |

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                    | Current Trend | Current Trend | Current Trend |
|--------------------|---------------|---------------|---------------|
|                    | -1.0%         |               | +1.0%         |
| Net OPEB liability | \$ 9,363,823  | \$ 15,596,030 | \$ 23,234,642 |

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements that will be included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

**OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended June 30, 2023, SacRT recognized OPEB expense of \$1,629,419. At June 30, 2023, SacRT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Changes of assumptions  | \$ 3,496,316                      | \$ (488,826)                     |
| Differences between expected and actual experience                            | 2,211                             | (7,300,936)                      |
| Net difference between projected and actual earnings on OPEB Plan Investments | 3,229,304                         | -                                |
| Contributions made subsequent to the measurement date                         | 3,066,821                         | -                                |
|   | \$ 9,794,652                      | \$ (7,789,762)                   |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The \$3,066,821 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending on June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the future years as follows:

| Year Ending June 30 | Net Deferred Inflows<br>of Resources |
|---------------------|--------------------------------------|
| 2024                | \$ (387,784)                         |
| 2025                | (438,483)                            |
| 2026                | (898,684)                            |
| 2027                | 767,370                              |
| 2028                | (329,020)                            |
| Thereafter          | 224,670                              |
| Total               | \$ (1,061,931)                       |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**12. SELF-INSURANCE**

SacRT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage provided by self-insured and excess coverage is generally as follows as of June 30, 2023:

| Type of Coverage             | Self-insurance<br>(per occurrence) | Excess Commercial Insurance<br>Coverage<br>(per occurrence) |
|------------------------------|------------------------------------|---|
| Workers' Compensation        | Up to \$2,000,000                  | Statutory Limits  |
| Commercial General Liability |                                    |   |
| Bus                          | Up to \$2,000,000                  | \$2,000,000 to \$100,000,000                                |
| Light Rail                   | Up to \$2,000,000                  | \$2,000,000 to \$323,000,000                                |
| *Property:                   |                                    |   |
| Buildings/Perils             | Up to \$250,000                    | \$250,000 to \$92,749,000                                   |
| Business Personal Property   | Up to \$250,000                    | \$250,000 to \$61,792,000                                   |
| Collision Bus                | Up to \$500,000                    | \$500,000 to \$20,000,000                                   |
| Collision Rail               | Up to \$1,000,000                  | \$1,000,000 to \$100,000,000                                |
| Flood                        | Up to \$500,000                    | \$500,000 to \$10,000,000                                   |
| Cyber Security               | Up to \$500,000                    | \$500,000 to \$4,000,000                                    |

\* includes revenue and non-revenue vehicles

SacRT purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year.

The claims liability of \$28,782,665 reported on June 30, 2023, is based on estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. Non-incremental claims adjustment expenses have been included as part of the liability. As of June 30, 2023, the Public Liability and Property Damage (PLPD) liability is discounted using a discount factor of 1.0% as SacRT holds in a reserve fund of \$3,485,415 at June 30, 2023. The Workers' Compensation liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in SacRT's claims liability amount during the fiscal years ended June 30, 2023 and 2022, were as follows:

| Fiscal Year<br>Ended | Beginning of the<br>Year Liability | Current Year<br>Claims and<br>Changes in<br>Estimate | Claims Payments | End of the Year<br>Liability |
|----------------------|------------------------------------|--|-----------------|------------------------------|
| June 30, 2023        | \$ 21,315,980                      | \$ 16,375,174  | \$ (8,908,489)  | \$ 28,782,665                |
| June 30, 2022        | \$ 20,089,978                      | \$ 8,638,262   | \$ (7,412,260)  | \$ 21,315,980                |



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**13. CONTINGENT LIABILITIES AND COMMITMENTS**

SacRT is involved in various claims and litigation arising from its operations. SacRT management, after consultation with SacRT's general counsel, believes that the resolution of such matters will not have a material adverse effect on SacRT's financial position or results of operations.

SacRT receives funding for specific purposes that is subject to review and audit by the granting agencies or funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SacRT has construction contracts and property acquisition commitments of \$107,632,197 at June 30, 2023. Federal, state, and local grant funds have been approved for such construction.

**14. SUBSEQUENT EVENTS**

**LINE OF CREDIT**

On September 28, 2023, the credit agreement with U.S. Bank was amended. Per the amended agreement, the line is subject to a \$20,000,000 limit and matures on September 30, 2024. The interest rate for the LOC with U.S. Bank for the used portion of the LOC is at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion is a fixed 0.40%.



## Required Supplementary Information (Other than MD&A)

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**ATU Plan**

|   | <b>2023</b>           | <b>2022</b>           | <b>2021</b>           | <b>2020</b>           | <b>2019</b>           | <b>2018</b>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total pension liability</b>  |                       |                       |                       |                       |                       |                       |
| Service cost  | \$ 5,953,419          | \$ 5,457,843          | \$ 5,197,253          | \$ 5,084,840          | \$ 4,765,696          | \$ 4,835,944          |
| Interest  | 13,712,873            | 13,411,008            | 13,012,883            | 12,664,533            | 12,761,359            | 12,885,195            |
| Changes of benefit terms  | -                     | -                     | -                     | -                     | -                     | (11,268)              |
| Difference between expected and actual returns                                    | (285,600)             | 1,531,462             | (87,109)              | (519,304)             | (261,689)             | (5,577,742)           |
| Change of assumptions   | -                     | 10,690,055            | -                     | (172,948)             | 3,663,543             | -                     |
| Change in bargaining group  | (515,525)             | -                     | -                     | (314,880)             | (5,129,398)           | (2,713,007)           |
| Benefit payments, including refunds of member contributions                       | (13,239,168)          | (13,074,333)          | (12,455,822)          | (11,545,372)          | (11,304,112)          | (10,776,986)          |
| <b>Net change in total pension liability</b>                                      | <b>5,625,999</b>      | <b>18,016,035</b>     | <b>5,667,205</b>      | <b>5,196,869</b>      | <b>4,495,399</b>      | <b>(1,357,864)</b>    |
| <b>Total pension liability - beginning</b>  | <b>206,737,070</b>    | <b>188,721,035</b>    | <b>183,053,830</b>    | <b>177,856,961</b>    | <b>173,361,562</b>    | <b>174,719,426</b>    |
| <b>Total pension liability - ending</b>   | <b>\$ 212,363,069</b> | <b>\$ 206,737,070</b> | <b>\$ 188,721,035</b> | <b>\$ 183,053,830</b> | <b>\$ 177,856,961</b> | <b>\$ 173,361,562</b> |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |                       |                       |                       |
| Contributions - employer  | \$ 10,417,845         | \$ 9,579,205          | \$ 8,783,426          | \$ 8,533,307          | \$ 7,863,420          | \$ 7,987,367          |
| Contributions - member  | 1,191,796             | 1,041,899             | 766,861               | 493,597               | 337,009               | 168,463               |
| Change in bargaining group  | (667,990)             | -                     | -                     | (343,707)             | (2,638,467)           | (3,851,827)           |
| Net investment income   | (12,345,778)          | 36,857,731            | 2,523,724             | 8,012,792             | 8,591,810             | 14,419,708            |
| Benefit payments, including refunds of member contributions                       | (13,239,168)          | (13,074,333)          | (12,455,822)          | (11,545,372)          | (11,304,112)          | (10,776,986)          |
| Administrative expense  | (269,615)             | (283,989)             | (243,847)             | (279,016)             | (260,006)             | (306,539)             |
| <b>Net change in plan fiduciary net position</b>                                  | <b>(14,912,910)</b>   | <b>34,120,513</b>     | <b>(625,658)</b>      | <b>4,871,601</b>      | <b>2,589,654</b>      | <b>7,640,186</b>      |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>171,544,565</b>    | <b>137,424,052</b>    | <b>138,049,710</b>    | <b>133,178,109</b>    | <b>130,588,455</b>    | <b>122,948,269</b>    |
| <b>Plan fiduciary net position - ending</b>                                       | <b>\$ 156,631,655</b> | <b>\$ 171,544,565</b> | <b>\$ 137,424,052</b> | <b>\$ 138,049,710</b> | <b>\$ 133,178,109</b> | <b>\$ 130,588,455</b> |
| <b>Net pension liability - beginning</b>  | <b>\$ 35,192,505</b>  | <b>\$ 51,296,983</b>  | <b>\$ 45,004,120</b>  | <b>\$ 44,678,852</b>  | <b>\$ 42,773,107</b>  | <b>\$ 51,771,157</b>  |
| <b>Net pension liability - ending</b>   | <b>\$ 55,731,414</b>  | <b>\$ 35,192,505</b>  | <b>\$ 51,296,983</b>  | <b>\$ 45,004,120</b>  | <b>\$ 44,678,852</b>  | <b>\$ 42,773,107</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>73.76%</b>         | <b>82.98%</b>         | <b>72.82%</b>         | <b>75.41%</b>         | <b>74.88%</b>         | <b>75.33%</b>         |
| <b>Covered payroll</b>  | <b>\$ 38,050,032</b>  | <b>\$ 35,334,877</b>  | <b>\$ 34,174,428</b>  | <b>\$ 30,125,788</b>  | <b>\$ 31,575,118</b>  | <b>\$ 30,212,311</b>  |
| <b>Net pension liability as a percentage of covered payroll</b>                   | <b>146.47%</b>        | <b>99.60%</b>         | <b>150.10%</b>        | <b>149.39%</b>        | <b>141.50%</b>        | <b>141.58%</b>        |

**Notes to Schedule:**

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

**2018:** Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

**2019:** Amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

**2020:** Amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

**2022:** Amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

|   | <b>IBEW Plan</b>     |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          | <b>2021</b>          | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          |
| <b>Total pension liability</b>  |                      |                      |                      |                      |                      |                      |
| Service cost  | \$ 2,184,369         | \$ 1,935,920         | \$ 1,806,472         | \$ 1,792,845         | \$ 1,596,227         | \$ 1,640,651         |
| Interest  | 6,284,031            | 6,010,122            | 5,716,051            | 5,449,300            | 5,338,451            | 4,742,855            |
| Changes of benefit terms  | -                    | -                    | -                    | -                    | -                    | (105,378)            |
| Difference between expected and actual returns                                    | (291,610)            | (149,316)            | 845,009              | 499,642              | (978,363)            | 2,420,299            |
| Change of assumptions   | -                    | 7,111,874            | -                    | (98,047)             | 1,630,101            | -                    |
| Change in bargaining group  | -                    | -                    | -                    | -                    | -                    | 2,713,007            |
| Benefit payments, including refunds of member contributions                       | (5,082,251)          | (4,587,268)          | (4,169,979)          | (3,779,076)          | (3,621,685)          | (3,281,167)          |
| <b>Net change in total pension liability</b>                                      | <b>3,094,539</b>     | <b>10,321,332</b>    | <b>4,197,553</b>     | <b>3,864,664</b>     | <b>3,964,731</b>     | <b>8,130,267</b>     |
| <b>Total pension liability - beginning</b>  | <b>94,522,042</b>    | <b>84,200,710</b>    | <b>80,003,157</b>    | <b>76,138,493</b>    | <b>72,173,762</b>    | <b>64,043,495</b>    |
| <b>Total pension liability - ending</b>   | <b>\$ 97,616,581</b> | <b>\$ 94,522,042</b> | <b>\$ 84,200,710</b> | <b>\$ 80,003,157</b> | <b>\$ 76,138,493</b> | <b>\$ 72,173,762</b> |
| <b>Plan fiduciary net position</b>  |                      |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 4,163,949         | \$ 3,578,685         | \$ 3,230,879         | \$ 3,299,013         | \$ 3,195,912         | \$ 3,315,379         |
| Contributions - member  | 488,243              | 342,404              | 304,593              | 209,531              | 103,415              | 39,287               |
| Change in bargaining group  | -                    | -                    | -                    | -                    | -                    | 3,851,827            |
| Net investment income   | (5,444,825)          | 16,461,248           | 1,082,659            | 3,482,632            | 3,629,569            | 5,332,230            |
| Benefit payments, including refunds of member contributions                       | (5,082,251)          | (4,587,268)          | (4,169,979)          | (3,779,076)          | (3,621,685)          | (3,281,167)          |
| Administrative expense  | (234,081)            | (256,797)            | (218,135)            | (229,569)            | (225,752)            | (239,189)            |
| <b>Net change in plan fiduciary net position</b>                                  | <b>(6,108,965)</b>   | <b>15,538,272</b>    | <b>230,017</b>       | <b>2,982,531</b>     | <b>3,081,459</b>     | <b>9,018,367</b>     |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>75,917,397</b>    | <b>60,379,125</b>    | <b>60,149,108</b>    | <b>57,166,577</b>    | <b>54,085,118</b>    | <b>45,066,751</b>    |
| <b>Plan fiduciary net position - ending</b>                                       | <b>\$ 69,808,432</b> | <b>\$ 75,917,397</b> | <b>\$ 60,379,125</b> | <b>\$ 60,149,108</b> | <b>\$ 57,166,577</b> | <b>\$ 54,085,118</b> |
| <b>Net pension liability - beginning</b>  | <b>\$ 18,604,645</b> | <b>\$ 23,821,585</b> | <b>\$ 19,854,049</b> | <b>\$ 18,971,916</b> | <b>\$ 18,088,644</b> | <b>\$ 18,976,744</b> |
| <b>Net pension liability - ending</b>   | <b>\$ 27,808,149</b> | <b>\$ 18,604,645</b> | <b>\$ 23,821,585</b> | <b>\$ 19,854,049</b> | <b>\$ 18,971,916</b> | <b>\$ 18,088,644</b> |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 71.51%               | 80.32%               | 71.71%               | 75.18%               | 75.08%               | 74.94%               |
| <b>Covered payroll</b>  | \$ 14,720,399        | \$ 13,777,698        | \$ 14,166,689        | \$ 13,300,633        | \$ 13,137,945        | \$ 12,473,480        |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 188.91%              | 135.03%              | 168.15%              | 149.27%              | 144.41%              | 145.02%              |

**Notes to Schedule:**

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

**2018:** Changes in benefit terms are due to *changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit*. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

**2019:** Amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

**2020:** Amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

**2022:** Amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**ATU/IBEW PLAN**

|   | <b>2017</b>           | <b>2016</b>           | <b>2015</b>           |
|---|-----------------------|-----------------------|-----------------------|
| <b>Total pension liability</b>  |                       |                       |                       |
| Service cost  | \$ 5,760,060          | \$ 5,753,143          | \$ 5,599,479          |
| Interest  | 16,758,356            | 16,384,487            | 15,740,342            |
| Difference between expected and actual returns                                    | (1,456,639)           | (2,941,777)           | -                     |
| Changes of assumptions  | 8,176,501             | 1,621,574             | -                     |
| Transfers out - Salaried Plan   | -                     | -                     | (174,166)             |
| Benefit payments, including refunds of member contributions                       | (13,180,874)          | (13,157,985)          | (12,877,177)          |
| <b>Net change in total pension liability</b>                                      | <b>16,057,404</b>     | <b>7,659,442</b>      | <b>8,288,478</b>      |
| <b>Total pension liability - beginning</b>  | <b>222,705,517</b>    | <b>215,046,075</b>    | <b>206,757,597</b>    |
| <b>Total pension liability - ending</b>   | <b>\$ 238,762,921</b> | <b>\$ 222,705,517</b> | <b>\$ 215,046,075</b> |
| <br>  |                       |                       |                       |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |
| Contributions - employer  | \$ 10,447,190         | \$ 10,343,620         | \$ 9,711,107          |
| Contributions - member  | 54,714                | 3,682                 | 22,425                |
| Net investment income   | (1,121,417)           | 4,609,506             | 22,631,819            |
| Transfers out - salaried plan   | -                     | -                     | (174,166)             |
| Benefit payments, including refunds of member contributions                       | (13,180,874)          | (13,157,985)          | (12,877,177)          |
| Administrative expense  | (290,647)             | (190,442)             | (230,365)             |
| <b>Net change in plan fiduciary net position</b>                                  | <b>(4,091,034)</b>    | <b>1,608,381</b>      | <b>19,083,643</b>     |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>172,106,054</b>    | <b>170,497,673</b>    | <b>151,414,030</b>    |
| <b>Plan fiduciary net position - ending</b>                                       | <b>\$ 168,015,020</b> | <b>\$ 172,106,054</b> | <b>\$ 170,497,673</b> |
| <br>  |                       |                       |                       |
| <b>Net pension liability - beginning</b>  | <b>\$ 50,599,463</b>  | <b>\$ 44,548,402</b>  | <b>\$ 55,343,567</b>  |
| <b>Net pension liability - ending</b>   | <b>\$ 70,747,901</b>  | <b>\$ 50,599,463</b>  | <b>\$ 44,548,402</b>  |
| <br>  |                       |                       |                       |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>70.37%</b>         | <b>77.28%</b>         | <b>79.28%</b>         |
| <br>  |                       |                       |                       |
| <b>Covered payroll</b>  | <b>\$ 39,996,326</b>  | <b>\$ 37,950,269</b>  | <b>\$ 38,857,668</b>  |
| <b>Net pension liability as a percentage of covered payroll</b>                   | <b>176.89%</b>        | <b>133.33%</b>        | <b>114.65%</b>        |

**Notes to Schedule:**

**Benefit changes** – There were no substantial changes to the benefits in 2017.

**Changes of assumptions** – the investment rate of return and discount rate was reduced from 7.65% to 7.50%, during the fiscal year ended June 30, 2016, which is the measurement year for reporting. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. ATU and IBEW are reported as stand-alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

**SALARIED PLAN**

|   | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total pension liability</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Service cost  | \$ 4,836,477          | \$ 4,265,105          | \$ 4,024,291          | \$ 3,831,831          | \$ 3,647,115          | \$ 3,873,148          | \$ 3,594,919          | \$ 3,476,103          | \$ 3,321,337          |
| Interest (includes interest on service cost)                                      | 11,663,422            | 11,359,811            | 10,794,658            | 10,288,390            | 9,485,966             | 8,960,042             | 8,807,953             | 8,434,365             | 7,978,675             |
| Changes in benefit terms  | -                     | -                     | -                     | -                     | -                     | (298,430)             | -                     | -                     | -                     |
| Difference between expected and actual returns                                    | 311,027               | 1,861,545             | 2,669,480             | 1,215,057             | 1,856,563             | 2,062,482             | (852,040)             | (753,076)             | -                     |
| Changes of assumptions  | -                     | 8,967,358             | -                     | (17,295)              | 3,291,931             | -                     | (680,161)             | 930,863               | -                     |
| Change in bargaining group  | 836,523               | -                     | -                     | 474,438               | 5,129,398             | -                     | -                     | -                     | 174,166               |
| Benefit payments, including refunds of member contributions                       | (11,086,271)          | (10,182,471)          | (9,453,326)           | (8,373,494)           | (7,779,366)           | (7,179,362)           | (6,190,981)           | (5,502,144)           | (5,664,400)           |
| <b>Net change in total pension liability</b>                                      | <b>6,561,178</b>      | <b>16,271,348</b>     | <b>8,035,103</b>      | <b>7,418,927</b>      | <b>15,631,607</b>     | <b>7,417,880</b>      | <b>4,679,690</b>      | <b>6,586,111</b>      | <b>5,809,778</b>      |
| <b>Total pension liability - beginning</b>  | <b>175,865,307</b>    | <b>159,593,959</b>    | <b>151,558,856</b>    | <b>144,139,929</b>    | <b>128,508,322</b>    | <b>121,090,442</b>    | <b>116,410,752</b>    | <b>109,824,641</b>    | <b>104,014,863</b>    |
| <b>Total pension liability - ending</b>   | <b>\$ 182,426,485</b> | <b>\$ 175,865,307</b> | <b>\$ 159,593,959</b> | <b>\$ 151,558,856</b> | <b>\$ 144,139,929</b> | <b>\$ 128,508,322</b> | <b>\$ 121,090,442</b> | <b>\$ 116,410,752</b> | <b>\$ 109,824,641</b> |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Contributions - employer  | \$ 10,993,228         | \$ 9,807,539          | \$ 9,159,513          | \$ 8,503,815          | \$ 7,669,178          | \$ 7,321,138          | \$ 7,576,866          | \$ 7,335,308          | \$ 6,609,083          |
| Contributions - member  | 705,053               | 466,141               | 360,051               | 193,293               | 143,094               | 53,706                | 21,014                | 261                   | 1,678                 |
| Change in bargaining group  | 667,990               | -                     | -                     | 343,707               | 2,638,467             | -                     | -                     | -                     | 174,166               |
| Net investment income   | (9,801,602)           | 28,976,644            | 1,526,151             | 5,649,123             | 6,073,483             | 9,388,876             | (396,556)             | 2,132,136             | 9,297,644             |
| Benefit payments, including refunds of member contributions                       | (11,086,271)          | (10,182,471)          | (9,453,326)           | (8,373,494)           | (7,779,366)           | (7,179,362)           | (6,190,981)           | (5,502,144)           | (5,664,400)           |
| Administrative expense  | (262,018)             | (253,303)             | (226,310)             | (260,441)             | (247,077)             | (289,067)             | (269,624)             | (194,209)             | (176,367)             |
| <b>Net change in plan fiduciary net position</b>                                  | <b>(8,783,620)</b>    | <b>28,814,550</b>     | <b>1,366,079</b>      | <b>6,056,003</b>      | <b>8,497,779</b>      | <b>9,295,291</b>      | <b>740,719</b>        | <b>3,771,352</b>      | <b>10,241,804</b>     |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>129,366,721</b>    | <b>100,552,171</b>    | <b>99,186,092</b>     | <b>93,130,089</b>     | <b>84,632,310</b>     | <b>75,337,019</b>     | <b>74,596,300</b>     | <b>70,824,948</b>     | <b>60,583,144</b>     |
| <b>Plan fiduciary net position - ending</b>                                       | <b>\$ 120,583,101</b> | <b>\$ 129,366,721</b> | <b>\$ 100,552,171</b> | <b>\$ 99,186,092</b>  | <b>\$ 93,130,089</b>  | <b>\$ 84,632,310</b>  | <b>\$ 75,337,019</b>  | <b>\$ 74,596,300</b>  | <b>\$ 70,824,948</b>  |
| <b>Net pension liability - beginning</b>  | <b>\$ 46,498,586</b>  | <b>\$ 59,041,788</b>  | <b>\$ 52,372,764</b>  | <b>\$ 51,009,840</b>  | <b>\$ 43,876,012</b>  | <b>\$ 45,753,423</b>  | <b>\$ 41,814,452</b>  | <b>\$ 38,999,693</b>  | <b>\$ 43,431,719</b>  |
| <b>Net pension liability - ending</b>   | <b>\$ 61,843,384</b>  | <b>\$ 46,498,586</b>  | <b>\$ 59,041,788</b>  | <b>\$ 52,372,764</b>  | <b>\$ 51,009,840</b>  | <b>\$ 43,876,012</b>  | <b>\$ 45,753,423</b>  | <b>\$ 41,814,452</b>  | <b>\$ 38,999,693</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 66.10%                | 73.56%                | 63.00%                | 65.44%                | 64.61%                | 65.86%                | 62.22%                | 64.08%                | 64.49%                |
| <b>Covered payroll</b>  | <b>\$ 28,436,264</b>  | <b>\$ 27,147,142</b>  | <b>\$ 26,295,215</b>  | <b>\$ 22,220,418</b>  | <b>\$ 24,283,580</b>  | <b>\$ 23,435,642</b>  | <b>\$ 24,341,878</b>  | <b>\$ 23,022,281</b>  | <b>\$ 22,008,809</b>  |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 217.48%               | 171.28%               | 224.53%               | 235.70%               | 210.06%               | 187.22%               | 187.96%               | 181.63%               | 177.20%               |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

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**Notes to Schedule:**

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

**2017:** The investment rate of return and discount rate was reduced from 7.75% to 7.65%.

**2018:** Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The investment rate of return and discount rate was reduced from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

**2019:** amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

**2020:** amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

**2022:** amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
ATU Plan  
(Dollar amounts in thousands)**

|  | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 10,500 | \$ 10,418 | \$ 9,579  | \$ 8,783  | \$ 8,533  | \$ 7,863  | \$ 7,987  |
| Contributions in relation to the actuarially determined contribution | 10,500    | 10,418    | 9,579     | 8,783     | 8,533     | 7,863     | 7,987     |
| Contribution deficiency (excess)                                     | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| <br>   |           |           |           |           |           |           |           |
| Covered payroll  | \$ 39,651 | \$ 38,050 | \$ 35,335 | \$ 34,174 | \$ 30,126 | \$ 31,575 | \$ 30,212 |
| Contributions as a percentage of covered payroll                     | 26.48%    | 27.38%    | 27.11%    | 25.70%    | 28.33%    | 24.90%    | 26.44%    |

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

**Notes to Schedule:**

Valuation Date            7/1/2021 (to determine FY22-23 contribution)  
Timing                        Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

|                          |   |
|--------------------------|---|
| Actuarial cost method    | Entry Age   |
| Amortization method      | The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers          |
| Asset valuation method   | 5-year smoothed market  |
| Discount Rate            | 6.75%   |
| Amortization growth rate | 2.75%   |
| Price inflation          | 2.50%   |
| Salary Increases         | 2.75%, plus merit component on employee classification and years of service   |
| Mortality                | Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016. |

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the ATU Plan is not available.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
IBEW Plan  
(Dollar amounts in thousands)**

|  | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 4,495  | \$ 4,164  | \$ 3,579  | \$ 3,231  | \$ 3,299  | \$ 3,196  | \$ 3,315  |
| Contributions in relation to the actuarially determined contribution | 4,495     | 4,164     | 3,579     | 3,231     | 3,299     | 3,196     | 3,315     |
| Contribution deficiency (excess)                                     | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Covered payroll  | \$ 15,215 | \$ 14,720 | \$ 13,778 | \$ 14,167 | \$ 13,301 | \$ 13,138 | \$ 12,473 |
| Contributions as a percentage of covered payroll                     | 29.54%    | 28.29%    | 25.98%    | 22.81%    | 24.80%    | 24.33%    | 26.58%    |

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

**Notes to Schedule:**

Valuation Date            7/1/2021 (to determine FY22-23 contribution)  
Timing                      Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

|                          |   |
|--------------------------|---|
| Actuarial cost method    | Entry Age   |
| Amortization method      | The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers          |
| Asset valuation method   | 5-year smoothed market  |
| Discount Rate            | 6.75%   |
| Amortization growth rate | 2.75%   |
| Price inflation          | 2.50%   |
| Salary Increases         | 2.75%, plus merit component on employee classification and years of service   |
| Mortality                | Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016. |

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the IBEW Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
ATU/IBEW Plan  
(Dollar amounts in thousands)**

|  | 2016      | 2015      | 2014      |
|--|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 10,447 | \$ 10,343 | \$ 9,711  |
| Contributions in relation to the actuarially determined contribution | 10,447    | 10,343    | 9,711     |
| Contribution deficiency (excess)                                     | \$ -      | \$ -      | \$ -      |
| <br>   |           |           |           |
| Covered payroll  | \$ 39,996 | \$ 37,950 | \$ 38,858 |
| Contributions as a percentage of covered payroll                     | 26.12%    | 27.25%    | 24.99%    |

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

**Notes to Schedule:**

Valuation Date            7/1/2014 (to determine FY15-16 contribution)  
Timing                      Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

|                          |  |
|--------------------------|--|
| Actuarial cost method    | Entry Age  |
| Amortization method      | Level percentage of payroll, closed 17 year period as of 7/1/2015                |
| Asset valuation method   | 5-year smoothed market   |
| Discount Rate            | 7.65%  |
| Amortization growth rate | 3.15%  |
| Price inflation          | 3.15%  |
| Salary Increases         | 3.15%, plus merit component on employee classification and years of service      |
| Mortality                | Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females |

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. ATU and IBEW are reported as stand alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF  
SALARIED PLAN  
(Dollar amounts in thousands)**

|  | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 11,562 | \$ 10,993 | \$ 9,808  | \$ 9,160  | \$ 8,504  | \$ 7,669  | \$ 7,321  | \$ 7,577  | \$ 7,335  | \$ 6,609  |
| Contributions in relation to the actuarially determined contribution | 11,562    | 10,993    | 9,808     | 9,160     | 8,504     | 7,669     | 7,321     | 7,577     | 7,335     | 6,609     |
| Contribution deficiency (excess)                                     | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Covered payroll  | \$ 30,417 | \$ 28,436 | \$ 27,147 | \$ 26,295 | \$ 22,220 | \$ 24,284 | \$ 23,436 | \$ 24,342 | \$ 23,022 | \$ 22,009 |
| Contributions as a percentage of covered payroll                     | 38.01%    | 38.66%    | 36.13%    | 34.84%    | 38.27%    | 31.58%    | 31.24%    | 31.13%    | 31.86%    | 30.03%    |

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

**Notes to Schedule:**

Valuation Date            7/1/2021 (to determine FY22-23 contribution)  
Timing                      Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

|                          |   |
|--------------------------|---|
| Actuarial cost method    | Entry Age   |
| Amortization method      | The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers  |
| Asset valuation method   | 5-year smoothed market  |
| Discount Rate            | 6.75%   |
| Amortization growth rate | 2.75%   |
| Price inflation          | 2.50%   |
| Salary Increases         | 2.75%, plus merit component on employee classification and years of service   |
| Mortality                | Healthy annuitants: Pri-2012 Bottom Quartile Table for Healthy Annuitants projected with Scale MP-2020, base tables adjusted 105% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2020, base tables adjusted 130% for males and 115% for females |

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

|  | <b>2023</b>          | <b>2022</b>          | <b>2021</b>          | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB liability</b>  |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 1,645,108         | \$ 1,681,694         | \$ 1,632,712         | \$ 1,556,281         | \$ 1,507,294         | \$ 1,459,848         |
| Interest   | 3,268,195            | 3,640,504            | 3,469,020            | 3,514,022            | 3,345,560            | 3,196,439            |
| Changes of benefit terms   |                      |                      | -                    | -                    | -                    | -                    |
| Differences between expected and actual experience                             | (8,083)              | (8,266,030)          | -                    | (3,752,353)          | -                    | -                    |
| Changes in assumptions   | 2,584,382            | 111,008              | -                    | 2,376,944            | -                    | -                    |
| Benefit payments   | (2,669,532)          | (2,623,016)          | (2,597,450)          | (2,560,076)          | (2,430,417)          | (2,716,420)          |
| <b>Net change in total OPEB liability</b>                                      | <b>4,820,070</b>     | <b>(5,455,840)</b>   | <b>2,504,282</b>     | <b>1,134,818</b>     | <b>2,422,437</b>     | <b>1,939,867</b>     |
| <b>Total OPEB liability - beginning</b>  | <b>48,107,336</b>    | <b>53,563,176</b>    | <b>51,058,894</b>    | <b>49,924,076</b>    | <b>47,501,639</b>    | <b>45,561,772</b>    |
| <b>Total OPEB liability - ending</b>   | <b>\$ 52,927,406</b> | <b>\$ 48,107,336</b> | <b>\$ 53,563,176</b> | <b>\$ 51,058,894</b> | <b>\$ 49,924,076</b> | <b>\$ 47,501,639</b> |
| <b>Plan fiduciary net position</b>   |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | \$ 3,294,153         | \$ 3,207,854         | \$ 3,134,146         | \$ 3,292,735         | \$ 3,182,371         | \$ 5,817,444         |
| Net investment income  | (5,718,188)          | 9,037,648            | 1,129,669            | 1,778,876            | 2,069,510            | 2,299,759            |
| Benefit payments   | (2,669,532)          | (2,623,016)          | (2,597,450)          | (2,560,076)          | (2,430,417)          | (2,716,420)          |
| Other expense  | -                    | 14,533               | -                    | -                    | (34,264)             | -                    |
| Administrative expense   | (20,663)             | (18,514)             | (15,264)             | (6,158)              | (13,849)             | (11,457)             |
| <b>Net change in plan fiduciary net position</b>                               | <b>(5,114,230)</b>   | <b>9,618,505</b>     | <b>1,651,101</b>     | <b>2,505,377</b>     | <b>2,773,351</b>     | <b>5,389,326</b>     |
| <b>Plan fiduciary net position - beginning</b>                                 | <b>42,445,606</b>    | <b>32,827,101</b>    | <b>31,176,000</b>    | <b>28,670,623</b>    | <b>25,897,272</b>    | <b>20,507,946</b>    |
| <b>Plan fiduciary net position - ending</b>                                    | <b>\$ 37,331,376</b> | <b>\$ 42,445,606</b> | <b>\$ 32,827,101</b> | <b>\$ 31,176,000</b> | <b>\$ 28,670,623</b> | <b>\$ 25,897,272</b> |
| <b>Net OPEB liability - beginning</b>  | <b>\$ 5,661,730</b>  | <b>\$ 20,736,075</b> | <b>\$ 19,882,894</b> | <b>\$ 21,253,453</b> | <b>\$ 21,604,367</b> | <b>\$ 25,053,826</b> |
| <b>Net OPEB liability - ending</b>   | <b>\$ 15,596,030</b> | <b>\$ 5,661,730</b>  | <b>\$ 20,736,075</b> | <b>\$ 19,882,894</b> | <b>\$ 21,253,453</b> | <b>\$ 21,604,367</b> |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | <b>70.53%</b>        | <b>88.23%</b>        | <b>61.29%</b>        | <b>61.06%</b>        | <b>57.43%</b>        | <b>54.52%</b>        |
| <b>Covered employee payroll</b>  | <b>\$ 87,460,343</b> | <b>\$ 81,204,926</b> | <b>\$ 78,109,160</b> | <b>\$ 73,751,153</b> | <b>\$ 68,996,643</b> | <b>\$ 67,347,993</b> |
| <b>Net OPEB liability as a percentage of covered employee payroll</b>          | <b>17.83%</b>        | <b>6.97%</b>         | <b>26.55%</b>        | <b>26.96%</b>        | <b>30.80%</b>        | <b>32.08%</b>        |

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

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**Notes to Schedule (Continued):**

**FY2023:** Amounts reported as changes in assumptions resulted from lowering the discount rate from 6.75% to 6.30%, the inflation rate from 2.50% to 2.30% and the Pre-Medicare healthcare cost trend rate from 7.00% to 6.50%

**FY2022:** Amounts reported as changes in assumptions resulted from the change in the healthcare cost trend from the Getzen model to the *Society of Actuaries Long Term Healthcare Cost Trends Model*.

**FY2020:** Amounts reported as changes in assumptions resulted from the lowering of the discount rate from 7.00% to 6.75%, the inflation rate from 2.75% to 2.50%, salary increases from 3.25% to 3.00%, PEMHCA minimum and dental premium from 4.50% to 4.00% as well as the change to the Getzen model for medical cost trend rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

|   | 2023           | 2022           | 2021           | 2020           | 2019           | 2018          |
|---|----------------|----------------|----------------|----------------|----------------|---------------|
| Actuarially determined contribution                                     | \$ 3,049       | \$ 3,277       | \$ 3,189       | \$ 3,112       | \$ 3,278       | \$ 3,179      |
| Contributions in relation to the actuarially<br>determined contribution | 3,067          | 3,294          | 3,208          | 3,134          | 3,293          | 3,182         |
| Contribution deficiency (excess)  | <u>\$ (18)</u> | <u>\$ (17)</u> | <u>\$ (19)</u> | <u>\$ (22)</u> | <u>\$ (15)</u> | <u>\$ (3)</u> |
| <br>  |                |                |                |                |                |               |
| Covered employee payroll  | \$ 91,669      | \$ 87,460      | \$ 81,025      | \$ 78,109      | \$ 73,751      | \$ 68,997     |
| Contributions as a percentage<br>of covered employee payroll            | 3.35%          | 3.77%          | 3.96%          | 4.01%          | 4.46%          | 4.61%         |

Note: This schedule uses covered employee payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

**Notes to Schedule:**

Valuation Date            6/30/2021 (to determine FY22-23)  
Timing                      Actuarially determined contribution rates are calculated based on the actuarial valuation no more than 30 months plus 1 day prior to the close of the fiscal year end per GASB 75

Key methods and assumptions used to determine contribution rates:

|                        |  |
|------------------------|--|
| Actuarial cost method  | Entry Age, Level percentage of payroll   |
| Amortization method    | Level percentage of payroll, closed      |
| Asset valuation method | Market value of assets                   |
| Discount Rate          | 6.30%                                    |
| General inflation      | 2.30%                                    |
| Salary Increases       | 3.00%                                    |
| Mortality              | 2016 SacRT Experience Study; Improvement |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
JUNE 30, 2023**

|   | <u>ATU</u>            | <u>IBEW</u>          | <u>Salaried</u>       | <u>Total</u>          |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                      |                       |                       |
| Cash and Cash Equivalents                               | \$ 9,126,920          | \$ 4,035,233         | \$ 6,625,345          | \$ 19,787,498         |
| Receivables:  |                       |                      |                       |                       |
| Securities Sold   | 3,301,193             | 1,450,253            | 2,327,121             | 7,078,567             |
| Interest and Dividends                                  | 296,802               | 130,469              | 210,244               | 637,515               |
| Other Receivables and Prepaids                          | 15,907                | 13,900               | 43,849                | 73,656                |
| Total receivables                                       | <u>3,613,902</u>      | <u>1,594,622</u>     | <u>2,581,214</u>      | <u>7,789,738</u>      |
| Investments:  |                       |                      |                       |                       |
| Equity Securities                                       | 110,120,195           | 49,824,454           | 91,300,409            | 251,245,058           |
| Fixed Income Securities                                 | 40,256,470            | 17,682,606           | 28,355,454            | 86,294,530            |
| Real Estate   | 16,108,690            | 7,076,728            | 11,252,703            | 34,438,121            |
| Total investments                                       | <u>166,485,355</u>    | <u>74,583,788</u>    | <u>130,908,566</u>    | <u>371,977,709</u>    |
| Total assets  | <u>179,226,177</u>    | <u>80,213,643</u>    | <u>140,115,125</u>    | <u>399,554,945</u>    |
| <b>LIABILITIES</b>                                      |                       |                      |                       |                       |
| Securities Purchased Payable                            | 12,757,315            | 5,603,635            | 8,985,872             | 27,346,822            |
| Accounts Payable  | 395,186               | 149,937              | 138,825               | 683,948               |
| Total liabilities                                       | <u>13,152,501</u>     | <u>5,753,572</u>     | <u>9,124,697</u>      | <u>28,030,770</u>     |
| <b>NET POSITION RESTRICTED FOR<br/>PENSION BENEFITS</b> | <u>\$ 166,073,676</u> | <u>\$ 74,460,071</u> | <u>\$ 130,990,428</u> | <u>\$ 371,524,175</u> |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

|  | <u>ATU</u>            | <u>IBEW</u>          | <u>Salaried</u>       | <u>Total</u>          |
|--|-----------------------|----------------------|-----------------------|-----------------------|
| <b>ADDITIONS</b>   |                       |                      |                       |                       |
| Contributions:   |                       |                      |                       |                       |
| Employer   | \$ 10,500,021         | \$ 4,495,272         | \$ 11,561,711         | \$ 26,557,004         |
| Member   | 1,429,978             | 585,325              | 858,224               | 2,873,527             |
| Change in Bargaining Group   | -                     | -                    | 248,765               | 248,765               |
| Total contributions  | <u>11,929,999</u>     | <u>5,080,597</u>     | <u>12,668,700</u>     | <u>29,679,296</u>     |
| Investment income:   |                       |                      |                       |                       |
| Net Appreciation in Fair Value of Investments                              | 9,347,186             | 4,313,999            | 8,114,860             | 21,776,045            |
| Interest, Dividends, and Other Income                                      | 2,977,294             | 1,316,610            | 2,281,018             | 6,574,922             |
| Investment Expenses  | (823,418)             | (365,404)            | (621,476)             | (1,810,298)           |
| Net investment income  | <u>11,501,062</u>     | <u>5,265,205</u>     | <u>9,774,402</u>      | <u>26,540,669</u>     |
| Total additions  | <u>23,431,061</u>     | <u>10,345,802</u>    | <u>22,443,102</u>     | <u>56,219,965</u>     |
| <b>DEDUCTIONS</b>  |                       |                      |                       |                       |
| Benefits Paid to Participants  | 13,450,294            | 5,470,433            | 11,781,877            | 30,702,604            |
| Change in Bargaining Group   | 248,765               | -                    | -                     | 248,765               |
| Administrative Expenses  | 289,981               | 223,730              | 253,898               | 767,609               |
| Total deductions   | <u>13,989,040</u>     | <u>5,694,163</u>     | <u>12,035,775</u>     | <u>31,718,978</u>     |
| Net increase in plan net position  | 9,442,021             | 4,651,639            | 10,407,327            | 24,500,987            |
| Net position restricted for pension benefits -<br>Beginning of fiscal year | <u>156,631,655</u>    | <u>69,808,432</u>    | <u>120,583,101</u>    | <u>347,023,188</u>    |
| Net position restricted for pension benefits -<br>End of fiscal year       | <u>\$ 166,073,676</u> | <u>\$ 74,460,071</u> | <u>\$ 130,990,428</u> | <u>\$ 371,524,175</u> |





## Statistical Section (Unaudited)

# SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

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This part of the Sacramento Regional Transit District's (SacRT) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SacRT's overall financial health.

| <b>CONTENTS</b>   | <b><u>Page</u></b> |
|---|--------------------|
| <b>Financial Trends</b>   | <b>90</b>          |
| These schedules contain information to help the reader understand how SacRT's financial performance and well-being have changed over time.  |                    |
| <b>Revenue Capacity</b>   | <b>92</b>          |
| These schedules contain information to help the reader assess the factors affecting SacRT's ability to generate its fares.  |                    |
| <b>Debt Capacity</b>  | <b>94</b>          |
| These schedules present information to help the reader assess the affordability of SacRT's current levels of outstanding debt and the SacRT's ability to issue additional debt in the future.                                   |                    |
| <b>Demographic and Economic Information</b>   | <b>96</b>          |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which SacRT's financial activities take place and to help make comparisons over time and with other governments. |                    |
| <b>Operating Information</b>  | <b>99</b>          |
| These schedules contain information about SacRT's operations and resources to help the reader understand how SacRT's financial information relates to the services SacRT provides and the activities it performs.               |                    |

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year. SacRT implemented GASB Statements No. 63 and 65 in the fiscal year ended June 30, 2013, GASB Statement No. 68 in the fiscal year ended June 30, 2015 and GASB Statement No. 75 in the fiscal year ended June 30, 2018. Schedules comparative results are retroactively presented.*

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(amounts expressed in thousands)**

|                                  | Fiscal Year       |                              |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2014              | 2015                         | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              |
| Net Position                     |                   |                              |                   |                   |                   |                   |                   |                   |                   |                   |
| Net Investment in Capital Assets | \$ 798,019        | \$ 864,160                   | \$ 878,849        | \$ 889,347        | \$ 852,174        | \$ 821,610        | \$ 779,273        | \$ 788,415        | \$ 806,700        | \$ 752,983        |
| Restricted for:                  |                   |                              |                   |                   |                   |                   |                   |                   |                   |                   |
| Capital Projects                 | 1,211             | 1,751                        | -                 | -                 | -                 | -                 | 2,280             | 5,522             | 5,817             | 5,567             |
| Debt Service                     | 2,279             | 1,829                        | 1,831             | -                 | 3,484             | 3,435             | 3,472             | 3,439             | 3,383             | 57,414            |
| Annexations                      |                   |                              |                   |                   |                   |                   | 3,694             | 3,420             | 5,780             | 5,780             |
| Unrestricted                     | <u>31,723</u>     | <u>(48,259)</u> <sup>1</sup> | <u>(50,474)</u>   | <u>(48,012)</u>   | <u>(61,136)</u>   | <u>(49,001)</u>   | <u>(74,451)</u>   | <u>(55,532)</u>   | <u>(16,956)</u>   | <u>12,162</u>     |
| Total Net Position               | <u>\$ 833,232</u> | <u>\$ 819,481</u>            | <u>\$ 830,206</u> | <u>\$ 841,335</u> | <u>\$ 794,522</u> | <u>\$ 776,044</u> | <u>\$ 714,268</u> | <u>\$ 745,264</u> | <u>\$ 804,724</u> | <u>\$ 833,906</u> |

<sup>1</sup> The fiscal year 2015 decrease is due to the implementation of GASB Statement No. 68 which reduced net position by \$82,455,095 offset by an increase in net position of \$68,704,438 that is primarily the result of capital contributions that funded the District South Line Phase 2 extension project and the delivery of 30 new Gillig 40' buses

<sup>2</sup>The fiscal year 2020 decrease is due the change in federal grant revenue recognition per GASB Implementation Guide 2019-1

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(expressed in thousands)**

|  | Fiscal Year |           |           |           |            |            |            |           |           |           |
|--|-------------|-----------|-----------|-----------|------------|------------|------------|-----------|-----------|-----------|
|  | 2014        | 2015      | 2016      | 2017      | 2018       | 2019       | 2020       | 2021      | 2022      | 2023      |
| Operating Revenues   |             |           |           |           |            |            |            |           |           |           |
| Fares  | \$ 29,157   | \$ 28,396 | \$ 28,056 | \$ 30,487 | \$ 27,276  | \$ 25,428  | \$ 20,999  | \$ 12,001 | \$ 14,309 | \$ 16,615 |
| Operating Expenses   |             |           |           |           |            |            |            |           |           |           |
| Labor and Fringe Benefits  | 94,755      | 93,182    | 99,692    | 108,886   | 110,545    | 116,997    | 133,144    | 146,708   | 143,524   | 161,215   |
| Professional and Other Services  | 26,130      | 27,533    | 29,332    | 30,342    | 27,119     | 27,348     | 27,923     | 16,455    | 17,657    | 20,500    |
| Spare Parts and Supplies   | 11,996      | 10,549    | 8,526     | 11,996    | 10,841     | 12,139     | 14,550     | 14,836    | 15,862    | 19,563    |
| Utilities  | 5,646       | 5,816     | 6,288     | 6,619     | 6,995      | 6,761      | 6,821      | 7,272     | 7,425     | 7,988     |
| Casualty and Liability Costs   | 8,343       | 7,906     | 7,160     | 9,317     | 9,300      | 14,011     | 9,931      | 12,336    | 19,783    | 28,248    |
| Depreciation   | 33,982      | 34,128    | 39,925    | 43,959    | 43,126     | 43,359     | 42,739     | 44,060    | 46,623    | 47,141    |
| Indirect Costs Allocated to Capital Programs                                   | (887)       | (1,204)   | (1,038)   | (538)     | (459)      | (309)      | (230)      | (199)     | -         | -         |
| Other  | 1,460       | 1,541     | 1,434     | 1,702     | 2,355      | 2,847      | 2,745      | 2,144     | 2,518     | 2,658     |
| Impairment Loss  | -           | -         | -         | -         | -          | 15,375     | 15,375     | -         | -         | 22,254    |
| Total Operating Expenses   | 181,425     | 179,451   | 191,319   | 212,283   | 209,822    | 223,153    | 237,623    | 243,612   | 253,392   | 309,566   |
| Operating Loss   | (152,268)   | (151,055) | (163,263) | (181,796) | (182,546)  | (197,725)  | (216,624)  | (231,611) | (239,083) | (292,952) |
| Non-Operating Revenues (Expenses)  |             |           |           |           |            |            |            |           |           |           |
| Operating Assistance:  |             |           |           |           |            |            |            |           |           |           |
| State and Local  | 78,318      | 80,350    | 81,518    | 86,911    | 93,339     | 104,031    | 114,880    | 113,657   | 144,508   | 159,055   |
| Federal  | 32,620      | 32,764    | 36,156    | 35,611    | 41,746     | 38,668     | 36,719     | 95,986    | 59,498    | 57,986    |
| Investment Income  | 1,941       | 1,996     | 2,129     | 2,124     | 2,223      | 2,753      | 3,105      | 2,651     | 2,311     | 5,223     |
| Interest Expense   | (3,223)     | (2,982)   | (3,675)   | (2,353)   | (2,707)    | (2,745)    | (5,010)    | (4,881)   | (4,672)   | (4,244)   |
| Pass Through to Subrecipients  | (3,401)     | (2,933)   | (2,030)   | (1,075)   | (4,645)    | (2,838)    | (301)      | (4,260)   | (2,743)   | (1,110)   |
| Professional and Other Services-Funded Alternative Fuel and Carbon Tax Credits | -           | -         | -         | (6,162)   | (7,325)    | (4,448)    | (74)       | -         | -         | -         |
| Contract Services  | 5,530       | 5,810     | 6,110     | 6,260     | 6,420      | 3,731      | 7,125      | 6,634     | 826       | 842       |
| Insurance Proceeds and Other   | 2,863       | 4,193     | 5,325     | 4,353     | 4,981      | 8,027      | 9,601      | 716       | 9,344     | 3,884     |
| Total Non-Operating Revenues   | 114,648     | 119,198   | 125,533   | 125,669   | 134,032    | 147,179    | 166,045    | 210,503   | 212,002   | 225,349   |
| Loss Before Capital Contributions  | (37,620)    | (31,857)  | (37,730)  | (56,127)  | (48,514)   | (50,546)   | (50,579)   | (21,108)  | (27,081)  | (67,603)  |
| Capital Contributions  |             |           |           |           |            |            |            |           |           |           |
| State and Local  | 15,878      | 25,635    | 18,376    | 18,376    | 16,804     | 24,307     | 27,812     | 42,669    | 41,352    | 64,933    |
| Federal  | 48,512      | 74,926    | 30,078    | 30,078    | 4,133      | 2,371      | 4,558      | 4,848     | 29,408    | 34,977    |
| Increase (Decrease) in Net Position before Special Item                        | 26,769      | 68,704    | 10,724    | 10,724    | (27,577)   | (23,868)   | (26,531)   | 30,996    | 43,679    | 32,307    |
| Extraordinary (Loss) Gain on Early Extinguishment of Debt                      | -           | -         | -         | -         | -          | -          | -          | -         | -         | -         |
| Special Items  | -           | -         | -         | -         | -          | 5,390      | -          | -         | 15,781    | -         |
| Increase (Decrease) in Net Position after Special and Extraordinary Items      | \$ 26,769   | \$ 68,704 | \$ 10,724 | \$ 10,724 | \$(27,577) | \$(18,478) | \$(26,531) | \$ 30,996 | \$ 59,460 | \$ 32,307 |

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

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**OPERATING REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Farebox</u> | <u>Fare<br/>Prepayment/<br/>Outlet Sales</u> | <u>Special/<br/>Contracted</u> | <u>Other</u> | <u>Total</u> |
|--------------------|----------------|--|--------------------------------|--------------|--------------|
| 2014               | 8,069,001      | 19,305,312                                   | 1,771,265                      | 11,342       | 29,156,920   |
| 2015               | 8,047,861      | 18,514,485                                   | 1,822,565                      | 11,191       | 28,396,102   |
| 2016               | 7,423,668      | 18,304,088                                   | 2,320,645                      | 7,403        | 28,055,804   |
| 2017               | 8,028,861      | 18,729,711                                   | 3,719,407                      | 9,119        | 30,487,098   |
| 2018               | 9,826,478      | 14,243,595                                   | 3,193,550                      | 12,608       | 27,276,231   |
| 2019               | 11,948,401     | 10,102,175                                   | 3,367,622                      | 10,234       | 25,428,432   |
| 2020               | 10,773,484     | 5,998,126                                    | 4,225,036                      | 2,231        | 20,998,877   |
| 2021               | 5,394,475      | 3,815,707                                    | 2,791,090                      | -            | 12,001,272   |
| 2022               | 6,544,999      | 4,043,805                                    | 3,719,345                      | 620          | 14,308,769   |
| 2023               | 7,272,766      | 4,385,625                                    | 4,953,896                      | 2,245        | 16,614,532   |

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL FARE REVENUE PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Customers                                   | Fiscal Year<br>2023<br>Sales |         | Fiscal Year<br>2014<br>Sales |         |
|---|------------------------------|---------|------------------------------|---------|
|   | Amount                       | %       | Amount                       | %       |
| Los Rios Community College District         | \$ 2,343,745                 | 14.11%  | \$ 1,028,074                 | 3.53%   |
| Department of Human Assistance              | 2,040,000                    | 12.28%  | 1,927,255                    | 6.61%   |
| RydeFree Program K-12 Student               | 1,455,000                    | 8.76%   | -                            | 0.00%   |
| California State University Sacramento      | 961,204                      | 5.79%   | 688,327                      | 2.36%   |
| Alta California Regional Center             | 248,435                      | 1.50%   | 787,600                      | 2.70%   |
| Highlands Community Charter School          | 216,900                      | 1.31%   | -                            | 0.00%   |
| Francis House Center-A Program of Next Move | 163,850                      | 0.99%   | -                            | 0.00%   |
| SCUSD WorkAbility Program                   | 52,110                       | 0.31%   | -                            | 0.00%   |
| Sacramento County Probation                 | 35,000                       | 0.21%   | -                            | 0.00%   |
| Dept. of Child, Family, and Adult Services  | 21,000                       | 0.13%   | -                            | 0.00%   |
| Raleys Family of Fine Stores                | -                            | 0.00%   | 1,133,745                    | 3.89%   |
| Health and Human Services                   | -                            | 0.00%   | 953,470                      | 3.27%   |
| Department of Transportation                | -                            | 0.00%   | 903,615                      | 3.10%   |
| Employment Development Department           | -                            | 0.00%   | 880,135                      | 3.02%   |
| California Environmental Protection Agency  | -                            | 0.00%   | 790,648                      | 2.71%   |
| Franchise Tax Board                         | -                            | 0.00%   | 730,043                      | 2.50%   |
| Subtotal (10 Largest)                       | 7,537,244                    | 45.37%  | 9,822,912                    | 33.69%  |
| Balance from other customers                | 9,077,288                    | 54.63%  | 19,334,008                   | 66.31%  |
| Grand Total                                 | \$ 16,614,532                | 100.00% | \$ 29,156,920                | 100.00% |

Grand Total Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

| Fiscal Year | Farebox Revenue   | Refunding Bonds Series 2021A | Lease/            |              | Total Debt  | Six-County Region Percentage | Six-County Region |
|-------------|-------------------|------------------------------|-------------------|--------------|-------------|------------------------------|-------------------|
|             | Bonds Series 2012 |                              | Leaseback Payable | Loan Payable |             | of Personal Income           | Per Capita        |
| 2014        | 92,006,633        | -                            | 35,062,503        | 13,988,074   | 141,057,210 | 0.11%                        | 38.27             |
| 2015        | 88,927,782        | -                            | 36,861,364        | 13,988,074   | 139,777,220 | 0.10%                        | 36.11             |
| 2016        | 87,113,931        | -                            | 38,752,526        | 13,988,074   | 139,854,531 | 0.10%                        | 35.37             |
| 2017        | 51,017,296        | -                            | 40,740,724        | 13,988,074   | 105,746,094 | 0.07%                        | 20.46             |
| 2018        | 50,841,764        | -                            | 42,830,939        | 13,988,074   | 107,660,777 | 0.07%                        | 20.20             |
| 2019        | 50,666,232        | -                            | 45,028,404        | 13,988,074   | 109,682,710 | 0.07%                        | 19.95             |
| 2020        | 49,628,200        | -                            | 47,338,625        | 13,988,074   | 110,954,899 | 0.06%                        | 19.45             |
| 2021        | 48,242,667        | -                            | 49,767,388        | -            | 98,010,055  | 0.06%                        | 18.72             |
| 2022        | -                 | 44,252,933                   | 52,320,775        | -            | 96,573,708  | Not available                | 17.16             |
| 2023        | -                 | 43,806,597                   | 53,985,255        | -            | 97,791,852  | Not available                | 16.99             |

Lease/Leaseback is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting deposit on SacRT's Statement of Net Position

Loan Payable is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting receivable accrual on SacRT's Statement of Net Position

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

| Fiscal<br>Year | Fare Revenue | Non-Fare<br>Revenues | Total Revenue | Less Operating<br>Expense | Net Available<br>Revenue | Debt Service |           | Coverage |
|----------------|--------------|----------------------|---------------|---------------------------|--------------------------|--------------|-----------|----------|
|                |              |                      |               |                           |                          | Principal    | Interest  |          |
| 2014           | 29,156,920   | 115,299,629          | 144,456,549   | 144,777,141               | (320,592)                | 2,710,000    | 4,123,100 | (0.05)   |
| 2015           | 28,396,102   | 119,886,619          | 148,282,721   | 146,515,212               | 1,767,509                | 2,795,000    | 4,041,800 | 0.26     |
| 2016           | 28,055,804   | 126,809,242          | 154,865,046   | 152,830,940               | 2,034,106                | 1,530,000    | 3,957,950 | 0.37     |
| 2017           | 30,487,098   | 131,596,154          | 162,083,252   | 157,379,743               | 4,703,509                | 33,142,500   | -         | 0.14     |
| 2018           | 27,276,231   | 141,379,634          | 168,655,865   | 159,444,596               | 9,211,269                | 175,532      | -         | 52.48    |
| 2019           | 25,428,432   | 151,586,987          | 177,015,419   | 173,778,795               | 3,236,624                | 175,532      | -         | 18.44    |
| 2020           | 20,998,877   | 173,098,872          | 194,097,749   | 181,407,884               | 12,689,865               | 862,500      | 1,711,575 | 4.93     |
| 2021           | 12,001,272   | 185,269,071          | 197,270,343   | 191,326,773               | 5,943,570                | 1,210,000    | 2,224,600 | 1.73     |
| 2022           | 14,308,769   | 207,090,527          | 221,399,296   | 215,176,642               | 6,222,654                | 1,270,000    | 2,164,100 | 1.81     |
| 2023           | 16,614,532   | 225,896,366          | 242,510,898   | 239,358,618               | 3,152,280                | 1,330,000    | 2,100,600 | 0.92     |

**Notes:** Details regarding SacRT's debt can be found in the notes to the financial statements. Operating expenses do not include depreciation and capital funded expenses.

A portion of the 2012 Revenue Bond interest is funded with Federal Capital Revenue  
A refunding of the 2012 Revenue Bonds occurred in Fiscal Year 2022  
Capital revenue has been excluded from this schedule.



**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**DEMOGRAPHIC AND ECONOMIC INDICATORS  
LAST TEN FISCAL YEARS**

|      | Population 1,2       |                      | Personal Income 1,2<br>(In Thousands) |                      | Per Capital Personal <sup>1</sup><br>Income |                      | Unemployment Rate <sup>3</sup> |                      |
|------|----------------------|----------------------|---------------------------------------|----------------------|---|----------------------|--------------------------------|----------------------|
|      | Sacramento<br>County | Six-County<br>Region | Sacramento<br>County                  | Six-County<br>Region | Sacramento<br>County                        | Six-County<br>Region | Sacramento<br>County           | Six-County<br>Region |
| 2014 | 1,485,221            | 2,415,013            | 65,106,762                            | 112,028,672          | 43,836                                      | 46,388               | 7.4%                           | 7.5%                 |
| 2015 | 1,506,558            | 2,446,275            | 69,706,561                            | 119,814,816          | 46,269                                      | 48,978               | 6.0%                           | 6.2%                 |
| 2016 | 1,527,104            | 2,479,591            | 72,142,550                            | 124,623,797          | 47,241                                      | 50,260               | 5.4%                           | 5.6%                 |
| 2017 | 1,546,422            | 2,513,134            | 75,107,692                            | 129,603,877          | 48,569                                      | 51,571               | 4.7%                           | 4.8%                 |
| 2018 | 1,560,721            | 2,539,823            | 78,819,492                            | 135,829,947          | 50,502                                      | 53,480               | 3.9%                           | 4.0%                 |
| 2019 | 1,575,602            | 2,564,909            | 83,515,309                            | 144,038,387          | 53,005                                      | 56,157               | 3.7%                           | 3.9%                 |
| 2020 | 1,586,241            | 2,580,763            | 91,987,475                            | 157,856,536          | 57,991                                      | 61,167               | 9.5%                           | 9.0%                 |
| 2021 | 1,588,921            | 2,593,912            | 98,241,828                            | 168,426,248          | 61,829                                      | 64,931               | 6.9%                           | 6.6%                 |
| 2022 | 1,573,366            | 2,575,545            | Not available                         | Not available        | Not available                               | Not available        | 3.9%                           | 3.9%                 |
| 2023 | 1,572,453            | 2,574,273            | Not available                         | Not available        | Not available                               | Not available        | 4.4%                           | 4.5%                 |

Source: Six-county region includes Sacramento, Placer, Yolo, El Dorado, Yuba and Sutter counties.

1. 2014-2021 U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal income population, per capita personal income*.
2. 2022-2023 State of California, Department of Finance, E-1 City, County and State Population Estimates, 2022–2023.
3. State of California, Employment Development Department, Labor Force & Employment Data

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

| Employer                                | Fiscal Year 2023 |      |                                       | Fiscal Year 2014 |      |                                       |
|---|------------------|------|---------------------------------------|------------------|------|---------------------------------------|
|   | Employees        | Rank | Percentage of Total County Employment | Employees        | Rank | Percentage of Total County Employment |
| State of California                     | 107,876          | 1    | 15.38%                                | 77,220           | 1    | 12.33%                                |
| UC Davis Health                         | 16,075           | 2    | 2.29%                                 | 9,905            | 4    | 1.58%                                 |
| Sacramento County                       | 13,252           | 3    | 1.89%                                 | 10,700           | 2    | 1.71%                                 |
| Kaiser Permanente                       | 10,934           | 4    | 1.56%                                 | 5,421            | 8    | 0.87%                                 |
| U.S. Government                         | 10,507           | 5    | 1.50%                                 | 9,906            | 3    | 1.58%                                 |
| Sutter Health                           | 9,350            | 6    | 1.33%                                 | 7,352            | 5    | 1.17%                                 |
| Dignity Health                          | 7,353            | 7    | 1.05%                                 | 6,212            | 6    | 0.99%                                 |
| Intel                                   | 5,000            | 8    | 0.71%                                 | 6,000            | 7    | 0.96%                                 |
| San Juan Unified School District        | 4,801            | 9    | 0.68%                                 |                  |      |                                       |
| Los Rios Community College District     | 3,049            | 10   | 0.43%                                 |                  |      |                                       |
| Elk Grove Unified School District       |                  |      |                                       | 5,410            | 9    | 0.86%                                 |
| Sacramento City Unified School District |                  |      |                                       | 4,200            | 10   | 0.67%                                 |
| <b>Total</b>                            | <b>188,197</b>   |      | <b>26.83%</b>                         | <b>142,326</b>   |      | <b>22.72%</b>                         |

Source: Sacramento Business Journal

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

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**CONTINUING DISCLOSURE REQUIREMENTS**

**SEC Rule 15c2-12**

The following summary provides SacRT's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in SacRT's Annual Comprehensive Financial Report (ACFR) and SacRT's Adopted Budget.

|  | 2023<br>ACFR<br>Page No. |
|--|--------------------------|
| Management Discussion and Analysis, Audited Financial Statements and Statistical Information | 4-108                    |

Tabular or numerical information of the types contained in the Official Statement relating to the 2021A Refunding Bonds under the following subscriptions:

|   |            |
|---|------------|
| (i) Total bus passengers, total light rail passengers, total ridership and amount of total Farebox Revenues | 16,102-105 |
| (ii) SacRT Farebox Recovery Ratio   | 52,102     |
| (iii) LTF Revenues claimed and expended   | 50,101     |
| (iv) Measure A Sales Taxes, STA Funds and federal grants used for operating expenses                        | 50,101     |
| (v) Measure A Sales Taxes allocated to SacRT  | 50,101     |
| (vi) STA Funds claimed and expended by SacRT  | 50,101     |
| (vii) Federal grant funds expended by SacRT   | 49,100     |

**Covenants of the Issuer**

The following summary provides SacRT's specific and continuing covenants of the issuer in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in the 2021A Official Statement, SacRT's Annual Comprehensive Financial Report (ACFR).

|                                 | 2021A<br>Official<br>Statement | FY 2023<br>ACFR<br>Page No. |
|---------------------------------|--------------------------------|-----------------------------|
| Punctual Payments               | C-31                           | 47                          |
| Application of Farebox Revenues | C-32                           | 16                          |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

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**DISTRICT PROFILE  
As of June 30, 2023**

|                                      |   |
|--------------------------------------|---|
| Date the Authority began Operations  | April 1, 1973   |
| Form of Governance                   | Board of Directors, with General Manager  |
| Metropolitan Population              | 1.4 million   |
| Total Employees                      | 1,289   |
| Service Area                         | All of Sacramento County, with services to<br>Citrus Heights, Elk Grove, Folsom<br>and Rancho Cordova |
| Population of Service Area           | Approximately 1.7 million   |
| Local Financial Support              | Local Transportation Funds<br>Measure A Sales Tax Revenue   |
| Number of Bus Routes                 | 81  |
| Number of Rail Lines                 | 3   |
| Miles of Rail                        | 44  |
| Weekday Bus Revenue Service Miles    | 32,337  |
| Weekday Rail Revenue Service Miles   | 10,590  |
| Average Weekday Bus and Rail Riders  | 47,409  |
| Number of Vehicles in Service        | 238 40' CNG Buses<br>211 - Electric, Gasoline Shuttles and<br>Diesel Buses                            |
| Paratransit                          | 120   |
| Park and Ride Lots                   | 22  |
| Bus and Light Rail Transfer Stations | 30  |
| Bus Stops                            | 3,200+  |
| Rail Stations                        | 53  |

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**TEN YEAR FUNDING HISTORY**

The following table shows available funding that SacRT as been awarded over the last ten years from our major federal funding sources, followed by a brief description of each source.

| FEDERAL FUNDS         |                 |                                   |                                 |  |                 |                 |              |            |
|-----------------------|-----------------|-----------------------------------|---------------------------------|--|-----------------|-----------------|--------------|------------|
| Federal Transit Funds |                 |                                   |                                 |  |                 |                 |              |            |
|                       | Section<br>5307 | Section<br>5309 Fixed<br>Guideway | Section<br>5316/5317<br>JARC/NF | Federal<br>Highway<br>Discretionary<br>Funds | Section<br>5339 | Section<br>5337 | ARRA         | Other      |
| 2014                  | \$ 20,420,103   | \$ -                              | \$ 45,660,000                   | \$ 663,603                                   | \$ -            | \$ 9,764,225    | \$ 3,034,209 | \$ 241,696 |
| 2015                  | 21,159,005      | -                                 | -                               | 10,345,160                                   | 1,792,567       | 10,239,772      | -            | 171,557    |
| 2016                  | 34,542,554      | -                                 | -                               | 3,060,284                                    | 1,858,949       | 11,499,470      | -            | 35,193     |
| 2017                  | 25,131,975      | -                                 | -                               | 3,154,867                                    | 745,539         | 11,580,302      | -            | 68,161     |
| 2018                  | 24,458,274      | -                                 | -                               | 1,479,789                                    | 2,544,715       | 13,804,359      | -            | 101,912    |
| 2019                  | 24,616,326      | -                                 | -                               | 505,056                                      | 2,117,403       | 13,064,129      | -            | 79,976     |
| 2020                  | 27,616,695      | -                                 | -                               | 211,902                                      | 2,073           | 13,098,402      | -            | 348,132    |
| 2021                  | 82,360,152      | -                                 | -                               | -  | 1,355,747       | 12,220,975      | -            | 49,262     |
| 2022                  | 83,732,851      | 49,519                            | -                               | 28,963                                       | 394,391         | 4,454,602       | -            | 115,193    |
| 2023                  | 83,291,490      | 2,727,367                         | -                               | -  | 3,655,647       | 3,115,695       | -            | 172,368    |

**Federal Funds**

*Section 5307 Funds:* Funds distributed by formula to large and small urban areas for a variety of transit planning, capital and preventive maintenance needs.

*Section 5307 Funds:* Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Relief Plan (ARP) stimulus funds to offset revenue decline and additional expenses related to COVID-19.

*Section 5309 Fixed Guideway Funds:* Funds distributed by formula to urban rail transit operators for repair and rehabilitation of commuter and light rail systems.

*Section 5316 Jobs Access & Reverse Commute (JARC):* Funds for operating new service that provides increased access to job opportunities, either through new service routes or expansions of existing routes into non-traditional service hours.

*Section 5317 New Freedom (NF):* Funds to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act (ADA) of 1990.

*Federal Highway Discretionary Funds:* Funds distributed for a variety of transportation planning, construction, and equipment acquisition needs. Projects are approved for funding by local agencies and forwarded to appropriate state and federal agencies for funding authorization.

*Section 5339 Bus and Facilities Funds:* A portion of the funds distributed by formula and a portion of the funds are distributed through a competitive process. Funds are used for bus renovations, purchases and bus support facility projects.

*Section 5337 State of Good Repair Funds:* Funds distributed for formula to repair and upgrade rail transit systems along with high-density motor bus systems that use high occupancy vehicle (HOV) lanes including bus rapid transit (BRT).

*ARRA Funds:* On February 17, 2009 the President signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The Act provides direct funding from the federal government for infrastructure, fiscal stabilization and other programs over the next several years. ARRA is designed to create or save jobs, and invest in science, health care, transportation, education, and energy efficiency.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**TEN YEAR FUNDING HISTORY (Continued)**

The following table shows available funding that SacRT has been awarded over the last ten years from our major state and local funding sources, followed by a brief description of each source.

|      | STATE FUNDS                       |               | LOCAL FUNDS                     |                             |             |
|------|-----------------------------------|---------------|---------------------------------|-----------------------------|-------------|
|      | Transit<br>Capital<br>Improvement | Measure A     | Local<br>Transportation<br>Fund | State Transit<br>Assistance | Other       |
| 2014 | \$ 15,649,388                     | \$ 34,063,375 | \$ 34,608,256                   | \$ 9,787,039                | \$ 87,174   |
| 2015 | 22,299,682                        | 36,889,447    | 36,098,557                      | 8,869,049                   | 1,828,749   |
| 2016 | 16,609,064                        | 37,244,297    | 36,950,479                      | 7,049,646                   | 2,040,730   |
| 2017 | 63,558,519                        | 39,263,496    | 38,731,878                      | 7,156,739                   | (3,556,168) |
| 2018 | 5,001,678                         | 41,460,448    | 40,966,707                      | 12,603,839                  | 10,110,006  |
| 2019 | 21,293,864                        | 44,949,578    | 47,175,047                      | 9,606,729                   | 5,312,351   |
| 2020 | 30,362,695                        | 46,714,046    | 51,729,305                      | 12,778,564                  | 1,107,351   |
| 2021 | 42,669,140                        | 59,903,826    | 51,158,504                      | 10,004,038                  | 2,595,082   |
| 2022 | 41,351,937                        | 69,381,797    | 72,783,913                      | -                           | 2,341,898   |
| 2023 | 64,933,237                        | 66,583,370    | 89,086,134                      | -                           | 3,385,547   |

**State Funds**

*State Transportation Improvement Program:* Funds distributed by the State for projects, including transit construction projects that relieve traffic congestion on state and local roads and highways.

Transit Capital Improvement funds for projects include, Proposition 1B funds, and Cap-and-Trade Program funds.

**Local Funds**

*Measure A* is a ½ cent sales tax ordinance that supports road and public transportation improvements in Sacramento County. Passed by voters in 1998, it expired in April 2009. SacRT received approximately 1/3 of the tax (1/6 cent). In November 2004, voters approved an extension of the Measure A ordinance until 2039 with transit receiving 38.25% of the ½-cent tax.

*Local Transportation Fund:* Funds generated by the state sales tax, and used for transit operating support purposes. The Transportation Development Act (TDA) allocates a portion of the state sales tax for transportation purposes.

*State Transit Assistance Funds:* Funds generated by the sales tax on gasoline and diesel fuel sales. These funds are disbursed to transit agencies for a variety of transit capital and operating support needs. SB1 funds, the Road Repair and Accountability Act of 2017, are included in STA funds beginning FY2018.

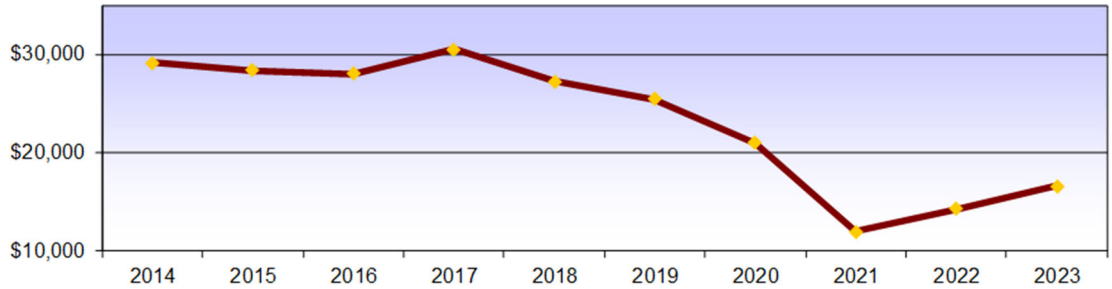
*Other:* This funding is from City of Sacramento, City of Rancho Cordova, County of Sacramento, City of Roseville, Sacramento Area Council of Governments (SACOG) and Sacramento Housing, Redevelopment Agency (SHRA), Bus Fire Insurance Proceeds, and cost reimbursement agreements with local agencies.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

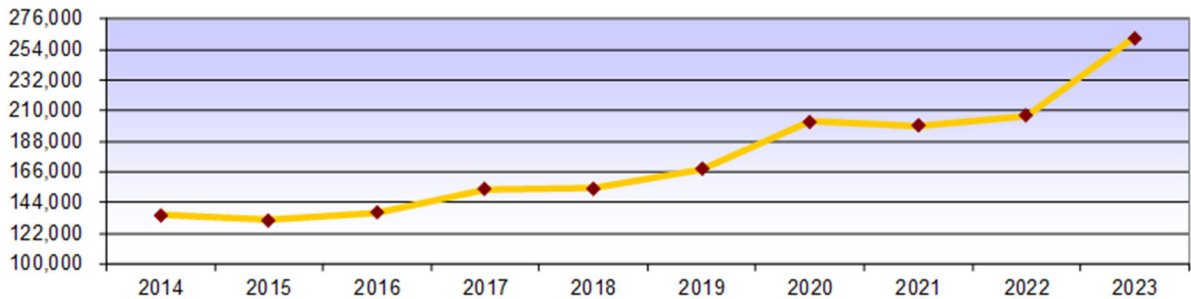
**FARE RECOVERY  
LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

|                            | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fare Revenue               | \$29,156 | \$28,396 | \$28,056 | \$30,487 | \$27,276 | \$25,428 | \$20,999 | \$12,001 | \$14,309 | \$16,614 |
| Local Fund Supplementation | 5,322    | 5,208    | 3,436    | 4,948    | 8,321    | 13,256   | 25,615   | 33,896   | 33,248   | 43,743   |
| Total Operating Expenses   | 135,034  | 131,779  | 136,920  | 154,067  | 154,770  | 168,194  | 202,667  | 199,552  | 206,763  | 262,426  |
| Fare Recovery Ratio        | 25.5%    | 25.5%    | 25.5%    | 23.0%    | 23.0%    | 23.0%    | 23.0%    | 23.0%    | 23.0%    | 23.0%    |

**FARE REVENUE**



**TOTAL OPERATING EXPENSES**



**Notes:** Operating expenses do not include depreciation and Paratransit operations.

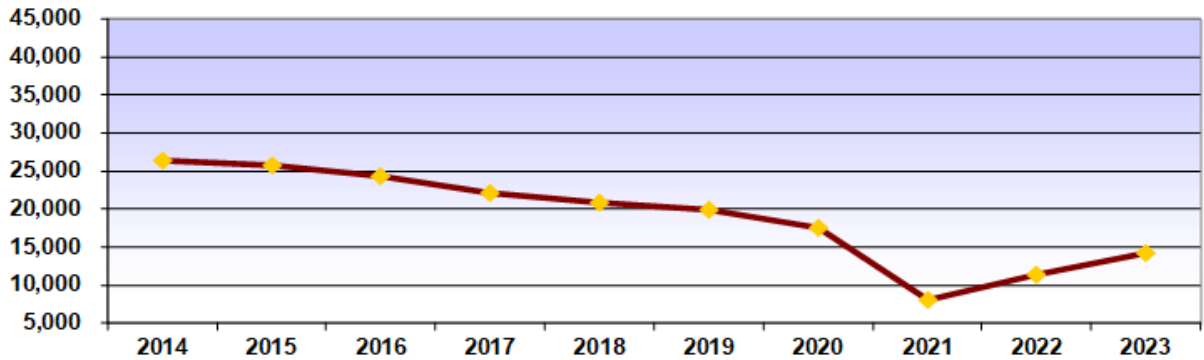
Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**RIDERSHIP  
LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

|                  | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020     | 2021     | 2022   | 2023   |
|------------------|---------|---------|---------|---------|---------|---------|----------|----------|--------|--------|
| <b>Ridership</b> | 26,368  | 25,768  | 24,330  | 22,050  | 20,890  | 19,989  | 17,564   | 8,108    | 11,315 | 14,279 |
| <b>% change</b>  | (3.41%) | (2.28%) | (5.58%) | (9.37%) | (5.26%) | (4.31%) | (12.13%) | (53.84%) | 39.55% | 26.20% |

**RIDERSHIP**



Source: SacRT Planning Department  
NTD Statistics



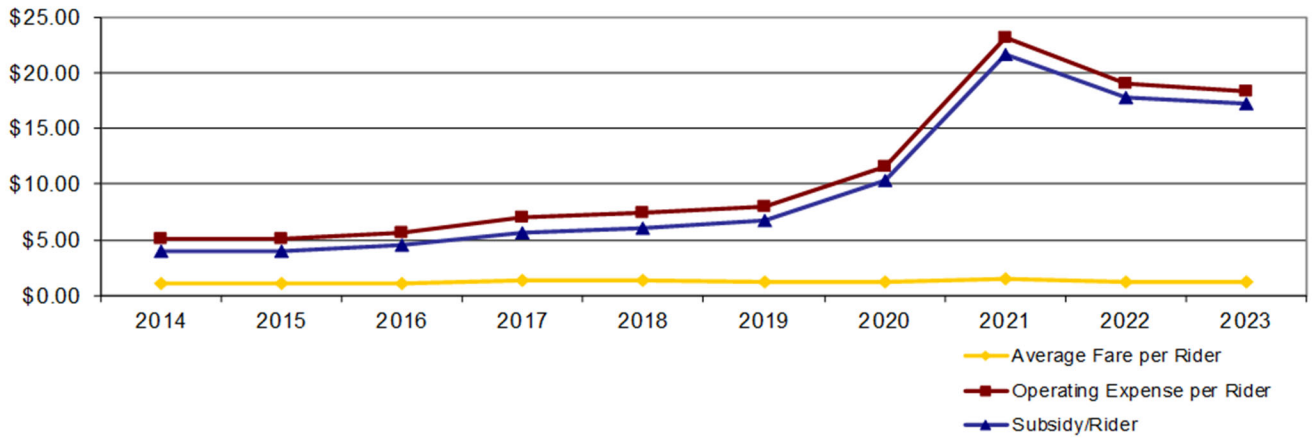
**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING SUBSIDY  
LAST TEN FISCAL YEARS**

|  | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020    | 2021    | 2022    | 2023    |
|--|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Average Fare per Rider                   | \$1.11 | \$1.10 | \$1.15 | \$1.38 | \$1.31 | \$1.21 | \$1.20  | \$1.48  | \$1.26  | \$1.16  |
| Operating Expense per Rider <sup>1</sup> | \$5.12 | \$5.11 | \$5.63 | \$6.99 | \$7.41 | \$8.01 | \$11.54 | \$23.15 | \$19.02 | \$18.38 |
| Subsidy/Rider                            | \$4.02 | \$4.01 | \$4.47 | \$5.60 | \$6.10 | \$6.80 | \$10.34 | \$21.66 | \$17.75 | \$17.21 |

<sup>1</sup> Operating expense per rider excludes Paratransit and depreciation costs.

**OPERATING EXPENSE & SUBSIDY PER RIDER**



Source: Annual Comprehensive Financial Report  
SacRT Planning Department  
NTD Statistics

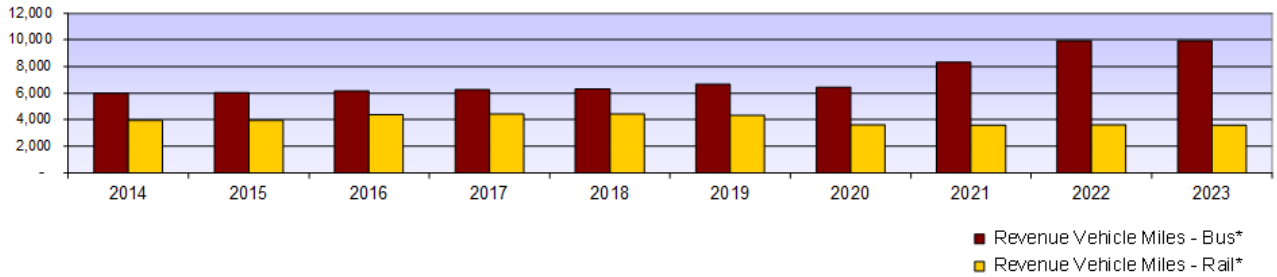
**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA  
LAST TEN FISCAL YEARS  
(\* amounts expressed in thousands)**

**SERVICE PROVIDED**

|                               | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>BUS</b>                    |       |       |       |       |       |       |       |       |       |       |
| Revenue Vehicle Miles - Bus*  | 6,002 | 6,023 | 6,152 | 6,269 | 6,288 | 6,646 | 6,439 | 8,307 | 9,949 | 9,915 |
| Revenue Vehicle Hours*        | 548.0 | 549.8 | 558.0 | 558.5 | 559.2 | 580.9 | 564.1 | 689.7 | 796.0 | 795.6 |
| # Vehicles                    | 232   | 232   | 223   | 223   | 225   | 237   | 237   | 249   | 366   | 449   |
| <b>RAIL</b>                   |       |       |       |       |       |       |       |       |       |       |
| Revenue Vehicle Miles - Rail* | 3,947 | 3,936 | 4,370 | 4,422 | 4,418 | 4,344 | 3,610 | 3,559 | 3,606 | 3,588 |
| Revenue Vehicle Hours*        | 218.6 | 218.1 | 245.2 | 248.9 | 248.7 | 243.2 | 207.0 | 199.5 | 200.7 | 199.8 |
| Train Revenue Hours*          | 83.2  | 83.2  | 93.0  | 94.9  | 94.7  | 99.9  | 98.1  | 100.9 | 101.7 | 101.2 |
| # of Vehicles                 | 76    | 76    | 87    | 96    | 97    | 97    | 95    | 95    | 95    | 72    |

**SERVICE PROVIDED**



**SERVICE CONSUMED**

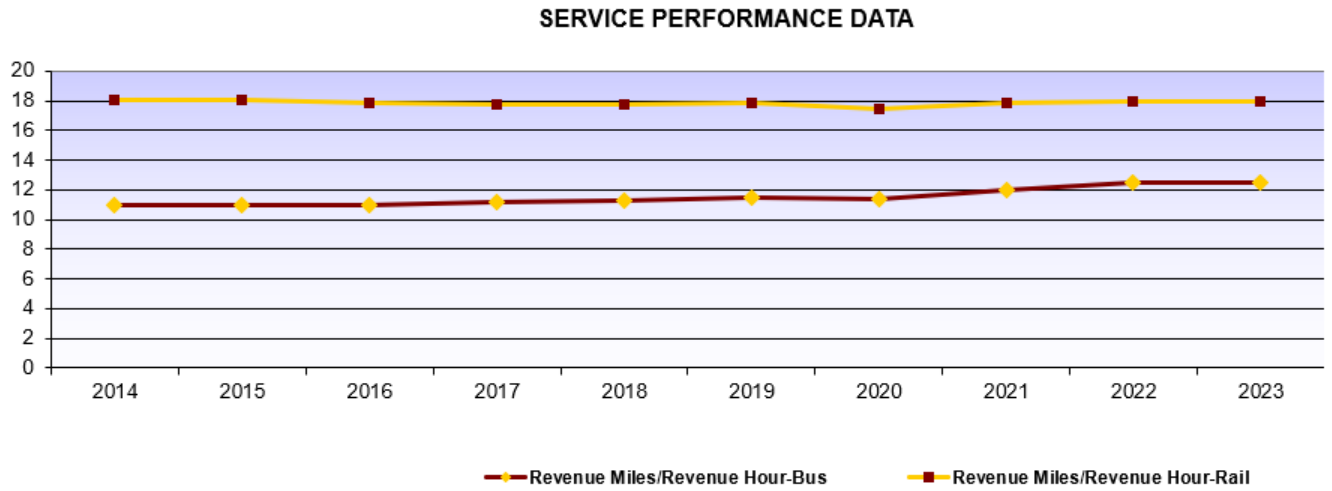
|                        | 2014    | 2015    | 2016    | 2017    | 2018    | 2019   | 2020   | 2021   | 2022   | 2023   |
|------------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|
| <b>BUS</b>             |         |         |         |         |         |        |        |        |        |        |
| Passengers*            | 13,658  | 13,706  | 12,114  | 10,608  | 10,517  | 10,008 | 8,575  | 4,241  | 6,683  | 8,120  |
| Passenger Miles*       | 53,133  | 52,346  | 43,911  | 39,468  | 37,925  | 35,382 | 31,008 | 31,008 | 25,781 | 30,229 |
| <b>RAIL</b>            |         |         |         |         |         |        |        |        |        |        |
| Passengers*            | 12,710  | 12,062  | 12,216  | 11,442  | 10,373  | 9,981  | 8,989  | 3,847  | 4,632  | 6,159  |
| Passenger Miles*       | 74,580  | 68,717  | 69,171  | 68,760  | 65,531  | 63,074 | 53,131 | 22,217 | 26,610 | 35,157 |
| <b>TOTAL</b>           |         |         |         |         |         |        |        |        |        |        |
| Passengers*            | 26,368  | 25,768  | 24,330  | 22,050  | 20,890  | 19,989 | 17,564 | 8,088  | 11,315 | 14,279 |
| Passenger Miles*       | 127,713 | 121,063 | 113,082 | 108,228 | 103,456 | 98,456 | 84,139 | 53,225 | 52,391 | 65,386 |
| <b>FLEET</b>           |         |         |         |         |         |        |        |        |        |        |
| Bus                    | 232     | 232     | 223     | 223     | 225     | 237    | 237    | 249    | 366    | 449    |
| Rail                   | 76      | 76      | 87      | 96      | 97      | 97     | 95     | 95     | 95     | 72     |
| <b>TOTAL EMPLOYEES</b> | 933     | 937     | 982     | 974     | 997     | 1036   | 1228   | 1450   | 1267   | 1289   |

Source: SacRT Planning Department  
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)  
LAST TEN FISCAL YEARS**

|                                 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|------|------|------|------|------|------|------|
| Revenue Miles/Revenue Hour-Bus  | 11   | 11   | 11   | 11   | 11   | 11   | 11   | 12   | 12   | 12   |
| Revenue Miles/Revenue Hour-Rail | 18   | 18   | 18   | 18   | 18   | 18   | 17   | 18   | 18   | 18   |



Source: SacRT Planning Department  
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

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**FARES  
As of June 30, 2023**

**Single and Daily Pass Fares**

| <u>Rider Type</u>             | <u>Fare Type</u> | <u>Single Ride</u> | <u>Daily Pass</u> |
|-------------------------------|------------------|--------------------|-------------------|
| Age 19-61                     | Basic            | \$ 2.50            | \$ 7.00           |
| Senior (62 & older)           | Discount         | \$ 1.25            | \$ 3.50           |
| Individuals with Disabilities | Discount         | \$ 1.25            | \$ 3.50           |
| Medicare Cardholder           | Discount         | \$ 1.25            | \$ 3.50           |
| Student (grades K-12)*        | Discount         | \$ 1.25            | \$ 3.50           |

\*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit [www.RydreFreeRT.com](http://www.RydreFreeRT.com)

**Monthly Passes and Stickers**

| <u>Fare/Rider Type</u>                 | <u>Price</u> |
|--|--------------|
| Basic Monthly Pass                     | \$ 100.00    |
| Basic Semi-Monthly Pass                | \$ 50.00     |
| Senior/Disabled Monthly Sticker        | \$ 50.00     |
| Senior/Disabled Semi-Monthly Sticker   | \$ 25.00     |
| Super Senior Monthly Sticker (age 75+) | \$ 40.00     |
| Student Monthly Sticker*               | \$ 20.00     |
| Student Semi-Monthly Sticker*          | \$ 10.00     |

**Bus:** Passengers are required to pay a basic or discount single fare for each trip or may purchase a daily pass valid for unlimited rides on that day.

**Light Rail:** Single ride tickets are valid for 90 minutes from time of validation on light rail only, or pay the 25 cents transfer fee when boarding a bus.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
STATISTICAL INFORMATION (UNAUDITED)**

**PERFORMANCE MEASURES**

| Performance Measures in Sacramento's Peer Transit Agencies |                            |                     |                       |                       |                       |                        |  |
|--|----------------------------|---------------------|-----------------------|-----------------------|-----------------------|------------------------|--|
| City State   | 2010 Urban Area Population | 2021 Statistics     |                       |                       |                       |                        |  |
|  |                            | Cost per passenger  | Cost per Revenue Mile | Cost per Revenue Hour | Subsidy per Passenger | Farebox Recovery Ratio |  |
|  | (UZA Rank)                 | (Peer Rank)         | (Peer Rank)           | (Peer Rank)           | (Peer Rank)           | (Peer Rank)            |  |
| <b>BUS PEERS</b>   |                            |                     |                       |                       |                       |                        |  |
| <b>Sacramento, CA</b>                                      | <b>1,723,634 (28)</b>      | <b>\$ 23.77 (3)</b> | <b>\$ 14.71 (6)</b>   | <b>\$ 167.04 (6)</b>  | <b>\$ 22.39 (3)</b>   | <b>5.8% (2)</b>        |  |
| Los Angeles, CA  | 12,150,996 (2)             | 7.05 (7)            | 18.80 (5)             | 199.33 (5)            | 6.94 (7)              | 1.5% (7)               |  |
| Oakland, CA  | 3,281,212 (13)             | 21.49 (4)           | 29.82 (2)             | 253.92 (2)            | 20.29 (4)             | 5.6% (3)               |  |
| San Carlos, CA   | 3,281,212 (13)             | 29.44 (1)           | 22.63 (4)             | 230.78 (4)            | 28.25 (1)             | 4.0% (5)               |  |
| San Diego, CA  | 2,956,746 (15)             | 9.40 (6)            | 8.80 (7)              | 96.60 (7)             | 7.97 (6)              | 15.2% (1)              |  |
| San Francisco, CA  | 3,281,212 (13)             | 10.84 (5)           | 37.77 (1)             | 294.89 (1)            | 10.53 (5)             | 2.9% (6)               |  |
| San Jose, CA   | 1,664,496 (29)             | 27.12 (2)           | 21.57 (3)             | 249.03 (3)            | 3.76 (2)              | 4.1% (4)               |  |
| <b>Average for Bus Peers</b>                               | <b>4,048,501</b>           | <b>\$ 18.44</b>     | <b>\$ 22.01</b>       | <b>\$ 206.66</b>      | <b>\$ 17.50</b>       | <b>5.6%</b>            |  |
| <b>RAIL PEERS</b>  |                            |                     |                       |                       |                       |                        |  |
| <b>Sacramento, CA</b>                                      | <b>1,723,634 (28)</b>      | <b>\$ 19.00 (3)</b> | <b>\$ 20.60 (4)</b>   | <b>\$ 367.66 (4)</b>  | <b>\$ 17.57 (3)</b>   | <b>7.5% (2)</b>        |  |
| Los Angeles, CA  | 12,150,996 (2)             | 17.22 (4)           | 31.71 (3)             | 663.94 (2)            | 17.09 (4)             | 0.8% (4)               |  |
| San Diego, CA  | 2,956,746 (15)             | 5.11 (5)            | 9.89 (5)              | 179.56 (5)            | 4.12 (5)              | 19.4% (1)              |  |
| San Francisco, CA  | 3,281,212 (13)             | 35.56 (2)           | 156.26 (1)            | 1,174.68 (1)          | 35.31 (2)             | 0.7% (5)               |  |
| San Jose, CA   | 1,664,496 (29)             | 53.41 (1)           | 40.89 (2)             | 535.96 (3)            | 52.31 (1)             | 2.1% (3)               |  |
| <b>Average for Rail Peers</b>                              | <b>4,355,417</b>           | <b>\$ 26.06</b>     | <b>51.87</b>          | <b>\$ 584.36</b>      | <b>\$ 25.28</b>       | <b>6.1%</b>            |  |

*Source: National Transit Database, 2021 Transit Profiles - All Agencies*

In 2010, the Sacramento urban area ranked 28th in the US based on population. The table compares SacRT's 2021 performance to 6 other bus peer transit properties and 4 other rail peer transit properties. It indicates the following:

**Bus**

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and ranks 2nd in Farebox Recovery Ratio among its bus peer transit agencies.

SacRT ranks 6th in Cost per Revenue Mile and Cost per Revenue Hour among its bus peer transit agencies.

**Rail**

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and 2nd on Farebox Recovery Ratio among its rail peer transit agencies.

SacRT ranks 4th in Cost per Revenue Mile and Cost per Revenue Hour among its rail peer transit agencies.



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*Finance Division*

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